

# Advisory Solutions

**Better Investment Outcomes. Lower Administrative Burdens. Focus on Revenue.**

BOUTIQUE INVESTMENT SOLUTIONS THAT ADAPT

TECHNOLOGY TO STREAMLINE PROCESSES & ENGAGE CLIENTS

WHITE GLOVE BACK-OFFICE SUPPORT





## The Quartz Difference

Built from the [top-down](#), our sole focus is helping advisors transform their practice by providing scalability, superior service, intuitive technology and institutional-quality portfolio management that adapts to changing markets. When you partner with Quartz you'll work directly with our management team to help you focus on nurturing client relationships and growing your practice.

Our investment committee and operations team welcomes questions and open dialogue with advisors and their clients about our investment process, solutions, views on the investing environment and personal investing objectives. We believe we have the solutions to answer these questions:

- ✓ What are the right investment solutions in a growth-challenged, rising rates world?
- ✓ How do you manage the constantly evolving tech stack for your practice?
- ✓ How do you adequately staff to scale your business to the next level?
- ✓ How do I lower client fees and increase revenue?

Our personalized support and growth-focused strategies can empower you to take your practice to the next level. Let us show you how we can improve client outcomes, unshackle you from administrative burdens and increase your revenue.

A handwritten signature in blue ink, appearing to read 'J. Arena'.

JOSEPH W. ARENA  
Chief Investment Officer  
[jarena@quartzpartners.com](mailto:jarena@quartzpartners.com)

A handwritten signature in blue ink, appearing to read 'K. Webber'.

KYLE P. WEBBER  
Portfolio Manager & Chief Operating Officer  
[kwebber@quartzpartners.com](mailto:kwebber@quartzpartners.com)



# INVESTMENT Philosophy

## An Adaptive Approach to a Complex Market

We challenge the status quo that a traditional “buy and hold” portfolio with a overly diversified rigid mix of investments provides optimal outcomes. We also reject the idea that an investment strategy needs to choose between fundamental or technical analysis. Alpha is generated through rigorous academic research and having a clear long-term vision built upon historical asset class correlations to market cycles and secular trends. Investment strategies should be built using both fundamental and technical analysis. Allowing portfolios to adapt and capitalize on investment opportunities and mitigate investment risk as it arises.

## Embrace Volatility and Avoid Protracted Downturns

Small but temporary investment losses due to market volatility are to be expected as part of the risk-return tradeoff. In fact these swings often present opportunities to invest in undervalued asset classes. However, there also exist market periods in which losses can exceed tolerable levels and can create “Permanent Loss of Capital”, losses that may permanently decrease the probability of reaching your investing goals. These are the periods that Quartz Partners seeks to move to traditionally defensive investments like cash and U.S. government bonds.

## Tactical Rotation Using PRICE Analysis Matrix



# INVESTMENT Process

## PRICE Analysis Matrix

Over the course of 15 years through rigorous academic research we have developed an investment model comprised, in our view, of the most relevant economic and market data in determining the direction of the economic landscape and relative attractiveness of investments. Our PRICE analysis matrix provides a repeatable process that is flexible and allows our investment strategies to quickly adapt to changes in the economic and market landscape. The Price analysis matrix is comprised of five data sets and over 50 data points ranging from fundamental to technical data. Data points that when combined, historically exhibit a high probability of predicting economic cycles, investment opportunities, market volatility levels and protracted market downturns.

<b>POLICY</b>	Our <b>Policy</b> data set analyzes monetary and fiscal policy from the U.S. Federal Reserve Bank, U.S. Federal Government as well as those from foreign central banks and sovereign governments. Policy decisions drive market liquidity and investing risk taking.
<b>RISK</b>	Our <b>Risk</b> data set analyzes market volatility and the opportunity cost of investing. Momentum data from various asset classes and cross asset class relative strength is combined to provide a “stop-loss” to preserve capital and mitigate investment loss.
<b>INFLATION &amp; INTEREST RATES</b>	Our <b>Inflation &amp; Interest Rates</b> data set analyzes bond and lending rates, consumer, manufacturing and commodity prices. This provides real-time information as to whether inflation is providing a tailwind or headwind for economic growth and investing.
<b>CREDIT &amp; LIQUIDITY</b>	Our <b>Credit &amp; Liquidity</b> data set analyzes bond spreads, systemic financial stress data pertaining to credit and liquidity across the economic spectrum. Cheap and accessible financing is the lifeblood for both corporations and the stock market.
<b>EARNINGS &amp; ECONOMY</b>	Our <b>Earnings &amp; Economy</b> data set analyzes information pertaining to housing, manufacturing economic and corporate backdrop. This data set can forecast long-term shifts in the business cycle and identify economic contractions.



# QUARTZ PORTFOLIO Construction

## Real-Time Output

Our PRICE analysis matrix compares current vs. past data looking at historical averages and rates of change. Ultimately, a flexible quantitative output is provided, forecasting where we are in the economic cycle, when to be defensive and where to take advantage of investing opportunities. As a mechanism of mitigating investment risk, our PRICE analysis matrix also allows our strategies to quickly adjust the portfolio beta and transition defensively to a “de-risk” allocation in the early stages of a protracted market downturn (e.g., Covid-19 pandemic market sell-off February to March 2020) and then back to “normalized risk” allocations when the risk/reward profile is attractive.

### PRICE Matrix Output

Defensive Allocation %  
("Risk-On" or "Risk-Off")



### Relative Strength Analysis

Geographic/Style/Sector/Factor/Thematic



### Adaptive Asset Allocation

Final Portfolio Construction



## TURNKEY Investment Strategies

**Quartz Equity**  
*Tactical Global Equity*



**Quartz Spectrum**  
*Tactical Multi-Asset*



**Quartz Yield Plus**  
*Tactical Fixed Income*



**Quartz High Yield Legacy**  
*Tactical High Yield Bond*



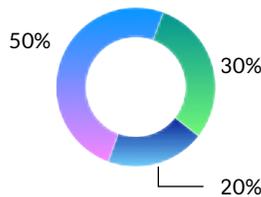
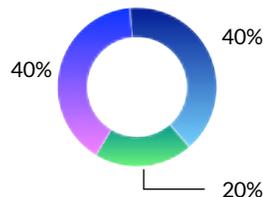
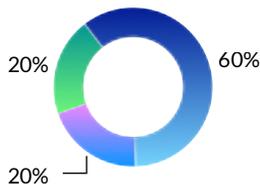
### Quartz adaptCORE Multi-Strategy Portfolios

- Quartz Equity
- Quartz Spectrum
- Quartz Yield Plus

- Quartz Spectrum
- Quartz Equity
- Quartz Yield Plus

- Quartz Spectrum
- Quartz Yield Plus
- Quartz Equity

- Quartz Yield Plus
- Quartz Spectrum

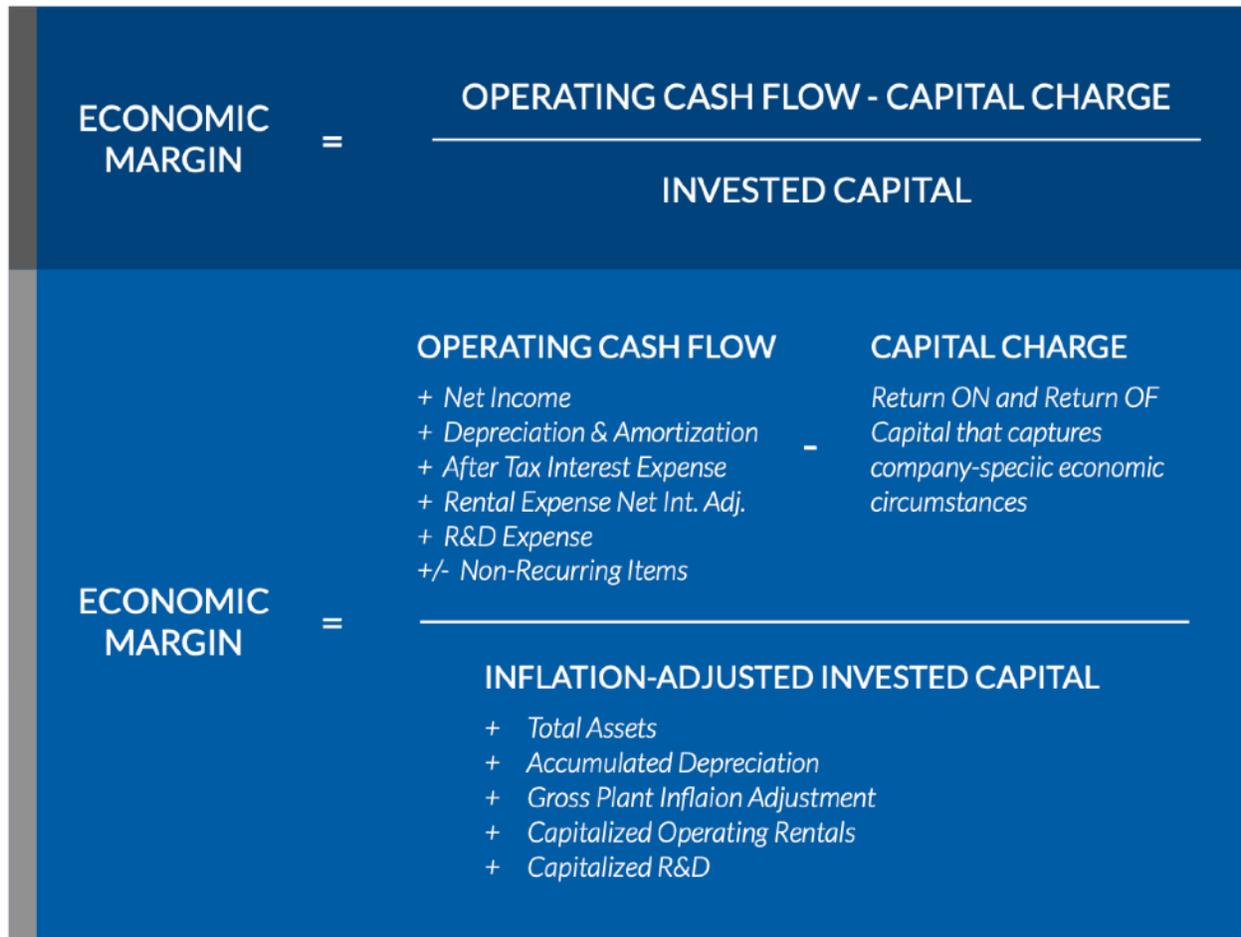




## ASTERIA PORTFOLIO Construction

### Real-Time Output

Our Asteria focused equity strategies employ a concept we refer to as “Economic Margin” to identify value-creating firms through identifying and understanding the key drivers of corporate performance and market valuations. Economic Margin measures the true return a company earns relative to its actual cost of capital.



This calculation seeks to identify value creating firms through analyzing and understanding the key drivers of corporate performance and market valuations.

**Asteria US Dividend**  
Large Value



**Asteria US Core**  
Large Blend



**Asteria US Growth**  
Large Growth



**Asteria Equity Commodity**  
Large Blend





## 360 DEGREE Investment Management

Our goal is to help clients remain committed to their investment plan regardless of market volatility or the direction of equity prices and bond yields. No matter the account or product type we can automate the investing experience and actively manage all your client accounts to provide a total portfolio solution. We can even manage existing variable annuities or held away individual 401k accounts to better serve your clients through all their life stages.



Joint	Individual	IRA, Roth IRA
UGMA/UTMA	Coverdell ESA or 529	Simple IRA, SEP IRA
Variable Annuity Overlay	Held Away Individual 401k	Trust, Endowment, Philanthropic

## PREMIERE Platform Partners

APEX Clearing™  
a PEAK6 company



Goldman Sachs





## EMPLOYER SPONSORED RETIREMENT PLANS

### 3(38) Fiduciary Protection, Intelligent Investment Lineup

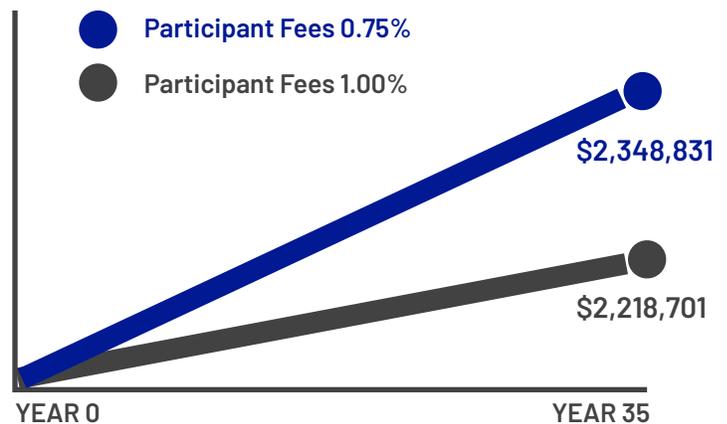
Quartz Partners' investment team curates a fund menu from a universe of over 10,000 funds utilizing a repeatable scientific process. The funds selected are monitored for performance, expenses and fit. Funds are quickly replaced when better funds are identified. By outsourcing fiduciary responsibilities to a 3(38) fiduciary like Quartz Partners, advisors and employers reduce their liability to the greatest degree against legal challenges, regulatory uncertainty, and market volatility as it relates to selecting, monitoring and replacing investment options within a retirement plan. We can actively help advisors win and keep ERISA plans from lead generation to plan benchmarking analysis to proposal to management.

401k	457	403b
Multi-Employer	Profit Sharing	Cash Balance
Simple IRA	SEP IRA	HSA (Health Savings Account)

### Small Fees. Big Effect.

It's no secret that plan costs reduce the benefits available to employees. Over the course of a career, plan fees have a significant impact on the success an employee has in preparing for retirement.

High plan fees expose employers and plan trustees to unsolicited regulatory scrutiny and civil liability. Our plans are built for cost efficiency. Each dollar spent on plan and mutual fund fees is one less dollar for employee benefits or driving business revenue. Reducing fund and administrative plan fees by as little as 0.25% can increase an employee's retirement savings by \$130,130, increasing annual retirement income by over \$6,506 per year. Whether expenses are paid directly by participants or are "hidden" in the plan's mutual fund expense ratios, employers should closely monitor their 408(b)(2) plan fee disclosures.



Hypothetical illustration were calculated by KJE Computer Solutions, Inc. and assumes an annual contribution of \$15,000 with average annualized investment performance of 8% over 35 years. Income illustration assumes a distribution rate of 5% based on the difference between a hypothetical plan charging 0.75% and another plan charging 1.00%.

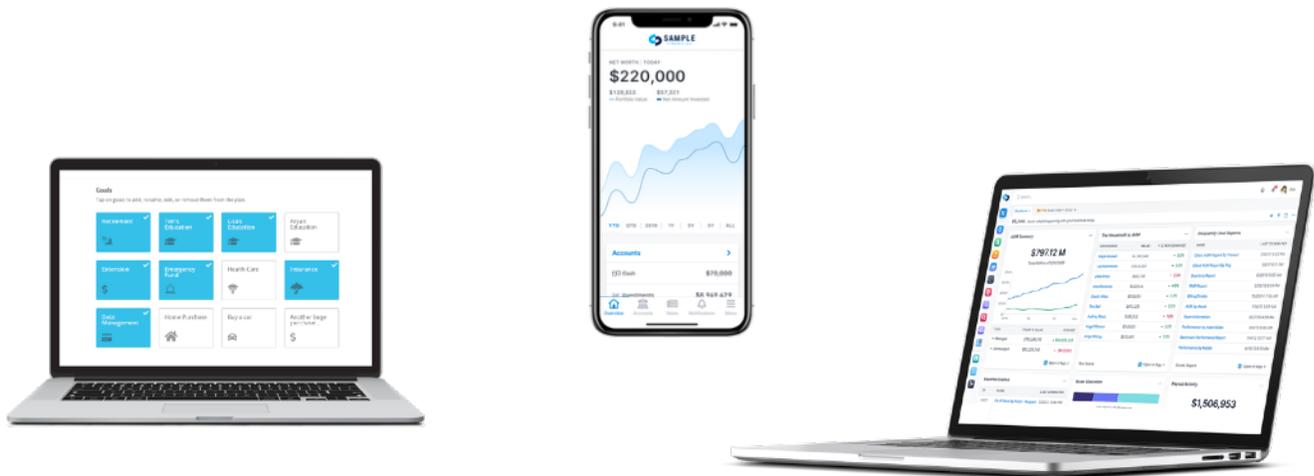


## TECHNOLOGY Solutions

### More Efficient. More Scalable. More Profitable.

When you select Quartz Investment Management solution, our technology and back-office solutions come at no cost to you. Success comes in different shapes and sizes for every advisor. We can implement a technology solution for a unique set of different needs and business models to make your practice more efficient and profitable.

Integrated CRM	Intuitive Advisor Dashboard	Performance Reporting
Digital Financial Planning	Private Labeled Client Portal	Monitor Held Away Accounts
Paperless Client Onboarding	Client Event Based Notifications	Office or Remote Client Collaboration



## BACK OFFICE Solutions

### Experienced Staff. White Glove Approach.

With collectively several decades of experience our seasoned advisor support team can serve as your back-office support. Reducing administrative burdens and eliminating the time and resources required hire, train and maintain proper staffing levels as your business scales. You'll have a personal relationship with our support team as if you hired them yourself.

Performance & Tax Reports	Bank ACH Links & Transfers	Customized Billing	Signature Read Paperwork
Client Service Requests	RMD & Distributions	Trading & Rebalancing	Attorney & CPA Requests



# QuartzPartners

INVESTMENT MANAGEMENT



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#### IMPORTANT DISCLOSURES

**Beta:** a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **S&P 500:** The Standard & Poor's 500 is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the U.S. It is one of the most commonly followed equity indices. The stated investment preferences are the opinions of Quartz Partners Investment Management ("Quartz") and do not reflect individual investors' risk and return objectives. Individual investors should consult with their financial professional about how to implement these opinions in a portfolio that is suitable for their goals and risk tolerance. This material is not intended to be relied upon as a forecast, research or investment advice, is not a recommendation, offer or a solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are derived from proprietary and non-proprietary sources deemed by Quartz to be reliable, not necessarily all-inclusive and are not guaranteed as to accuracy. The opinions expressed are as of the date of this document, and may change as subsequent conditions vary. Reliance upon information in this material is at the sole discretion of the reader. Investors should carefully consider the underlying funds' fees, expenses, objectives and risks carefully before investing. Quartz puts forth its best effort to achieve the objectives of its strategies. However, there is no guarantee that the objectives will be achieved. An Account's return and principal will fluctuate so that the Account, when redeemed, may be worth more or less than the amount in the Account at or subsequent to the effective date of the Investment Management Agreement. Actual fees paid and investment performance may vary based on factors including account size, custodian, contributions and withdrawals, which may cause your returns to differ from those listed in this report. In particular, accounts held at variable annuities and/or fund families will have performance that frequently deviates from the listed data due to fees and investment options. Please contact Quartz or your custodian for your specific performance information. Quartz strategies may involve above-average portfolio turnover, which could negatively impact the net after-tax gain experienced by an individual client. Performance results do not reflect the impact of taxes. Investments in the strategies are subject to investment and manager risk, which carry the potential for a loss of principal. Tactical management strategies do not protect against losses in declining markets and there is no guarantee that the strategy performance will meet or exceed the listed benchmark. Quartz's risk management process includes an effort to monitor and management risk, but should not be confused with and does not imply low risk. High yield bonds may be subject to greater market fluctuations, risk of default or loss of income and principal than higher rated securities. Quartz is an investment adviser registered with the SEC under the Investment Advisers Act of 1940. SEC registration does not constitute an endorsement of the firm by the SEC nor does it indicate that the advisor has attained a particular level of skill or ability. Quartz's Form ADV Part 2: Firm Brochure and other account documentation are available at [quartzpartners.com/disclosures](http://quartzpartners.com/disclosures) or upon request. Quartz may pay a portion of the annual advisory fee to a solicitor who is responsible for introducing an investor to Quartz. Quartz claims compliance with the Global Investment Performance Standards (GIPS®). A complete list and description of the firm's composites and composite reports that adhere to the GIPS® standards are available by emailing [info@quartzpartners.com](mailto:info@quartzpartners.com). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Quartz Partners Investment Management ("Quartz") has been ranked by Lipper MarketPlace for our Yield Plus and Spectrum investment strategies. Quartz did not make any solicitation payments to any of the award sponsors in order to be nominated or to qualify for nomination of the award. Lipper MarketPlace is an investment manager database that serves as an objective, third-party supplier of information. Lipper MarketPlace's Best Money Manager ranking is a survey of institutional money manager performance. For more information please visit [quartzpartners.com/ranking](http://quartzpartners.com/ranking) or contact us directly with questions or for historical rankings. Minimum criteria for inclusion in Best Money Managers:

1. *Performance must be calculated "net" of all fees and brokerage commissions.* This means after all fees have been deducted. This standard is somewhat controversial, as the SEC requires that only "net" of fees numbers be presented publicly, while GIPS (Global Investment Performance Standards) prefers that "gross" numbers be presented along with a fee schedule. Since the SEC is a regulatory authority, and since complete fee schedule presentation would be impractical in this "ranking" format, we require "net" numbers.
2. *Performance must be calculated inclusive of all cash reserves.* To explain, any given investment portfolio will hold some level of cash over a particular reporting period. Even equity portfolios which specifically seek to be fully invested in the market at all times will temporarily have dividend payments and other ordinary cash flows which cannot instantaneously be invested in the market. These cash holdings obviously will have an effect on the performance of the overall portfolio – negative when cash returns are low relative to returns of the asset class, and positive if the opposite is true. While presentation of "equity-only" (for example) returns may provide a valuable insight into the security selection skills of the manager, we require for comparability's sake that performance results be inclusive of cash reserves for consideration in the rankings.
3. *Performance results must be calculated in U.S. dollars, that is, from the perspective of a U.S.-based investor.* Currency holdings can have a very significant impact on the performance of a portfolio with international holdings. While this will always be the case (as we do not make distinctions between hedged and unhedged portfolios), we require that performance must be translated into U.S. dollars to ensure comparability to the point where these are all returns that would be seen by a U.S.-based investor.
4. *Performance results must be calculated on an asset base which is at least \$10 million in size for "traditional" U.S. asset classes (equity, fixed income, and balanced accounts) or at least \$1 million in the case of international and "alternative" U.S. asset classes.* This minimum ensures that the firm and product are somewhat established. The goal is to not taint the rankings with "flashes in the pan" while also not excluding promising emerging managers. The minimum asset base requirement, therefore, is set at a level which balances these objectives.
5. *The classification of the product must fall into one of the categories which we rank.* We only publish rankings for categories/time period combinations for which we have at least 20 contenders.

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