



# HARVEST

## INVESTMENT SERVICES

"Harvest Gains and Limit Losses"

## AlphaSolutions Ascend Model

*An investment model based on momentum strategies and market trends*

### Portfolio Goals

**Primary:** Seeks long term growth of capital by investing in high-ranked equities during bull markets.

**Secondary:** Seeks to reduce volatility during a bear markets by utilizing risk control measures.

### Suitability

Investors that seek long term capital appreciation.

Investors that wish to minimize volatility and risk by utilizing an active approach to portfolio management.

Investors comfortable with investments in common stock and concentrated classes of the domestic and global market.

### Investment Strategy

We analyze a number of technical indicators to determine if the equity market is in a bull or bear market. During a bull market as measured by our Bull-Bear Indicator, we will be fully invested in equity holdings.

After the determination that the equity market is in a bull market, we evaluate and rank numerous equity classes and sectors. Then we select the highest ranking asset classes and sectors to invest in for that month. During a continued bull market, we examine the relative strength of numerous investment classes and reallocate the holdings on a monthly basis

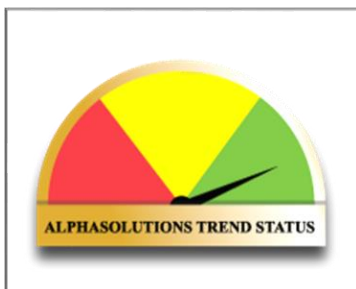
We evaluate the Bull-Bear indicator weekly to assess if we are to maintain our equity exposure or if the market has entered a bear market and risk control measures should be taken instead.

### Risk Control Measures

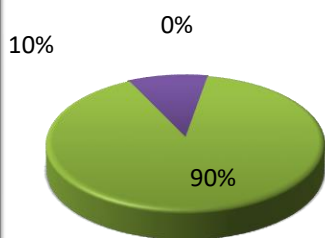
We utilize an active approach to manage risk. We employ numerous trending strategies, referred to as the bull-bear indicator, to evaluate and determine on a weekly basis if the market has entered a bear market. When the Bull-Bear indicator determines that the equity market has entered a bear market we then reallocate the equity positions into cash and bond holdings. We examine the Bull-Bear indicator throughout the quarter to determine if we are to maintain a defensive position by investing in cash and bonds.

Our trend evaluation helps to minimize or avoid losses during precipitous bear markets by removing equity allocation and maximizing bond allocation during bear markets. Bond positions historically have lower volatility and higher dividend payouts than equity holdings.

## Current Trend Status



## Allocation



■ Cash

■ Bonds

■ Domestic Equity

## Portfolio Characteristics

Cost-effective diversification is primarily derived from the use of Exchange Traded Funds which may track an entire index or sector without exposure to a smaller group or even an individual security.

Each portfolio is managed within a single separate account and is not part of a pooled portfolio.

Technical analysis is used to minimize risk and asset class rotation based on relative performance to potentially enhance returns.

<b>Cash</b>	<b>1.0%</b>
Cash	1.0%
<b>Bonds</b>	<b>0.00%</b>
FPE	0.0%
<b>Domestic Equity</b>	<b>99.0%</b>
IYE	10.0%
FXO	10.0%
IYW	10.0%
FRI	10.0%
IVW	10.0%
QQQ	10.0%
SPY	10.0%
FNK	10.0%
FTA	10.0%
IWV	9.0%
<b>Global / International Equity</b>	<b>0.0%</b>
EEM	0.0%
	0.0%

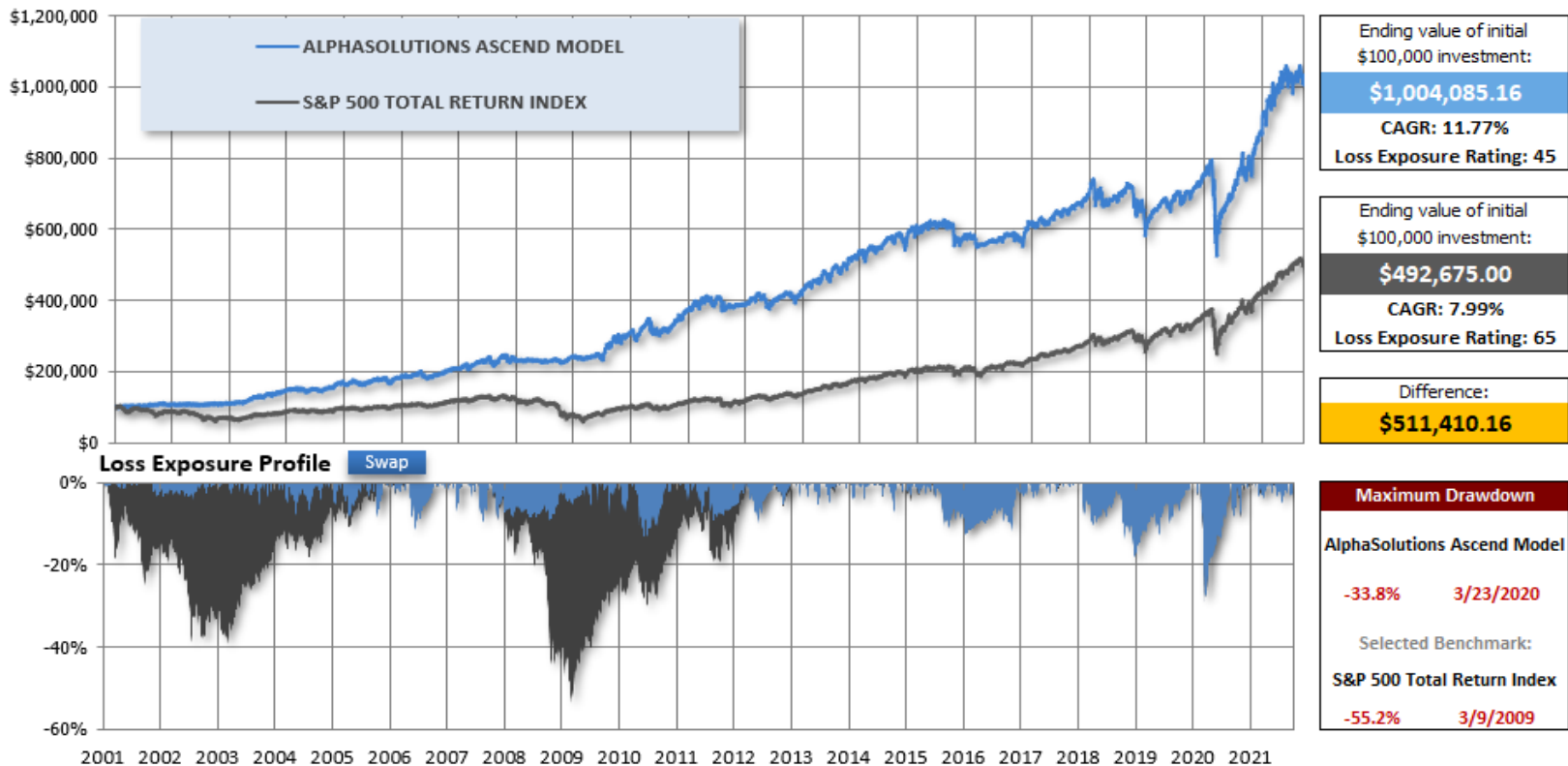
# AlphaSolutions Ascend Characteristics

An investment model that invests in equity asset classes and sectors that are outperforming the broad market when the market is trending higher and utilizes downside risk control by investing in fixed income when the market trends lower.

## Portfolio Returns as of 9/30/2021

Historical Data\*

\* for Date range 1/2/2001 - 9/30/2021



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
AlphaSolutions Ascend Model	7.6%	3.9%	32.6%	15.0%	6.4%	15.0%	12.3%	3.4%	26.5%	21.2%	4.9%	7.8%	28.5%	11.3%	-3.9%	5.5%	14.2%	-11.6%	21.9%	16.8%	14.8%
S&P 500 Total Return Index	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.9%	18.8%	15.9%

### Total Return

	Since Inception	1 Year	3 Years	5 Years	10 Years
AlphaSolutions Ascend Model	11.8%	31.2%	11.7%	11.6%	10.1%
Benchmark S&P 500 Index	8.0%	30.4%	16.2%	17.0%	16.7%

### Risk Measures

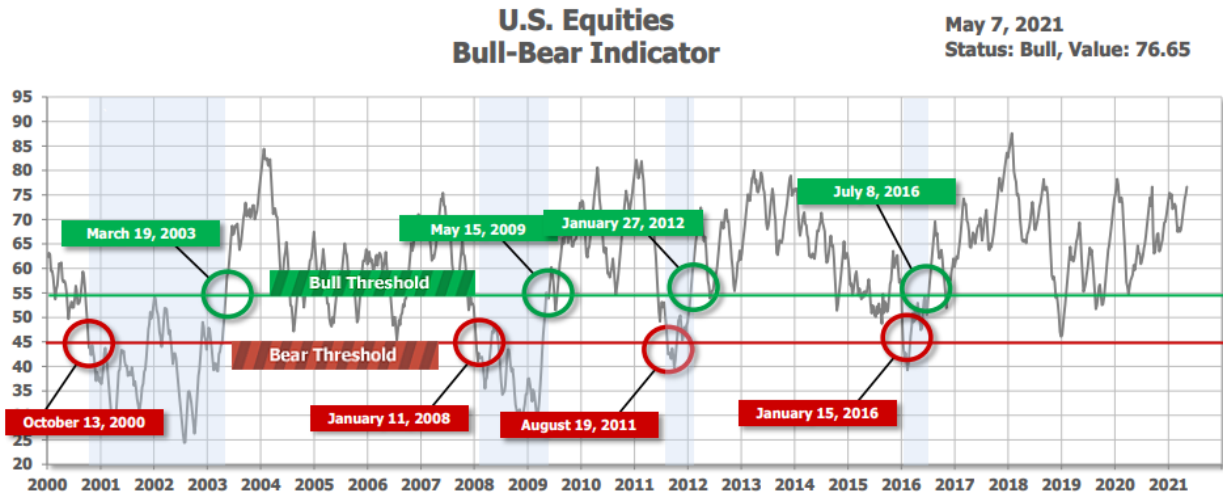
	AlphaSolutions Ascend Model	Benchmark S&P 500 Index
Max Draw Down	-33.8%	56.8%
Up Capture	79.1%	-
Down Capture	48.5%	-
Beta	0.51	1.00
Standard Deviation	11.2%	14.9%
Sharpe Ratio	1.06	0.46
Alpha	7.72	

Since Inception

Illustrated historical performance is not indicative or a guarantee of future results. Returns and Risk Measures are net of Harvest Investment Management Fees; whereas, index returns have no management fees deducted

# Market and Asset Class Overview

In the AlphaSolutions Ascend model we utilize the Bull-Bear Indicator to determine if the equity market is in a bull or bear market. The Bull-Bear Indicator utilizes a number of market derived ratios, such as, the ratio of advancers to decliners and the number of companies hitting 52 week highs relative to the number of companies hitting 52 week lows. The seven calculations that go into making the Bull-Bear Indicator are then weighted and combined into a single value.



In addition, one of our primary methods to determine the trend of the market is the utilization of moving averages. For instance, we evaluate the thirteen day exponential moving average relative to the fifty day exponential moving average and when the thirteen exponential day moving average is greater (or above) than the fifty day exponential moving average, we consider that the market is trended in.

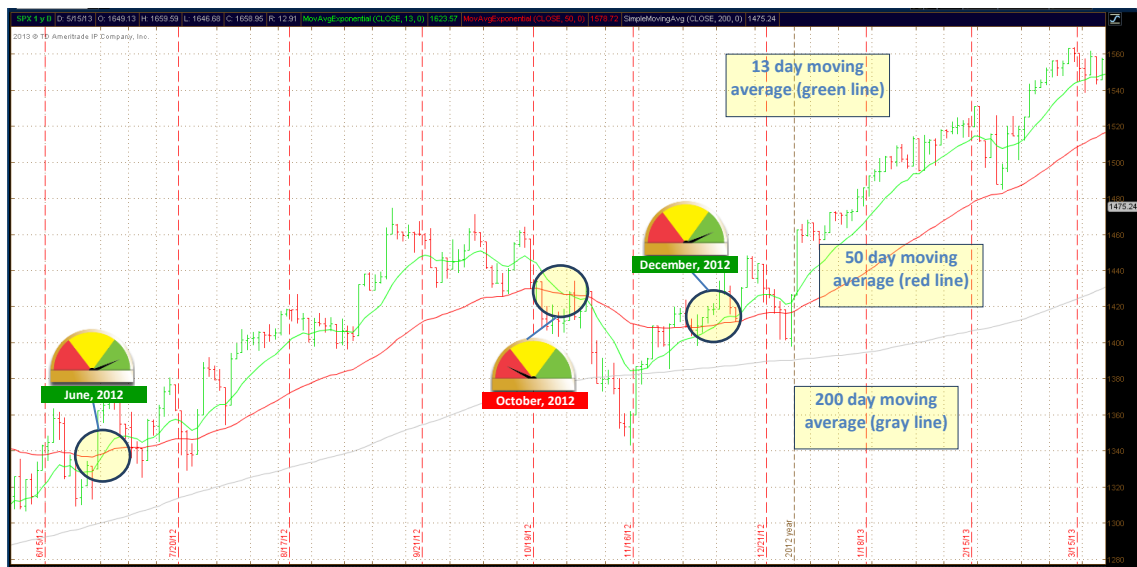


Figure 1: S&P 500 with moving averages 06/7/2012 – 03/22/2013

There are a number of methods to implement a momentum driven investment strategy. Generally, a momentum investment strategy considers the relative strength or performance of stocks, sectors, asset styles or asset classes relative to the performance of a benchmark, an index, or an industry. Investments are usually made in the highest ranking classes or those that are outperforming relatively and then reallocated on a regular basis.



Figure 2: When market is trended in

The AlphaSolutions Ascend strategy evaluates the relative strength of numerous segments of the equity market and invests in the strongest ten major investment classes of the global market. The chart below shows an example of the relative strength of numerous asset styles and sectors evaluated relative to the performance of the Russell 3000. As an example, the strongest positions we have highlighted below and would invest in for them for the month, unless our Bull-Bear indicator signals a bear market and then we would invest in cash and bonds positions. We would analyze the trend of the market to determine the equity exposure and the relative strength of the equity classes to determine investment holdings.

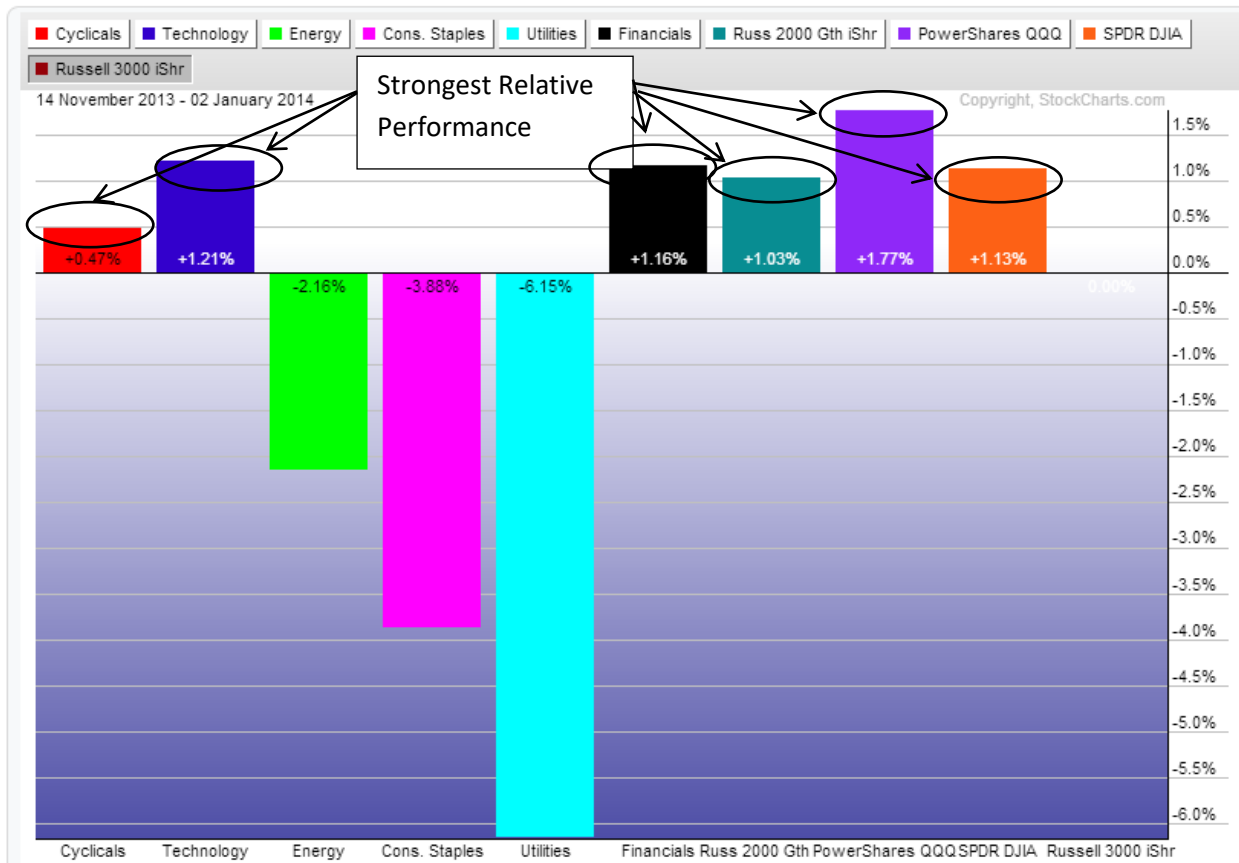


Figure 3: Relative Performance of Equity Classes. This is just a partial list of equity classes reviewed.

## U.S. Intermediate-Term Asset Class Rankings

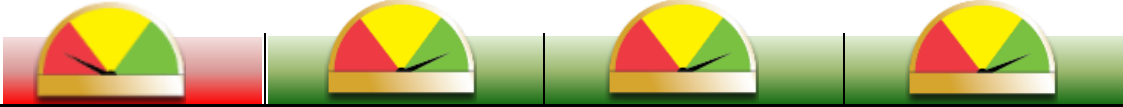
	Major Asset Classes	Type	Rank	Week Ago Rank
Above Average - best for new positions	Energy	3	1	1
	SmallCap Value	1	2	2
	MidCap Value	1	3	3
	Financial	3	4	4
	Real Estate	2&3	5	6
	SmallCap Blend	1	6	7
	Basic Materials	2&3	7	5
	MidCap Blend	1	8	8
	SmallCap Growth	1	9	9
Above Avg	LargeCap Value	1	10	10
	Industrial	3	11	11
	Technology	3	12	15
	LargeCap Blend	1	13	12
US Mkt Avg	Russell 3000 Index		14	13
Below Average	Developed Int'l Markets	2	15	14
	Dow 30	1	16	16
	Nasdaq 100	1	17	19
	LargeCap Growth	1	18	18
	MidCap Growth	1	19	17
	Telecom	3	20	20
	Healthcare	3	21	23
	Consumer Cyclical	3	22	21
	Emerging Markets	2	23	22
	Consumer Non-Cyclical	3	24	26
	CASH (1-3 mo T-Bills)		25	25
	Utilities	3	26	24
Type 1 = US Styleboxes; lower volatility. Type 2 = International Equities and Hard Assets; moderate volatility. Type 3 = Sectors; higher volatility.				

The ranking methodology used for determining top asset classes are based on four different time periods: 30, 60, 120 and 240 market days, with the ranking heavily weighted to the most recent thirty and sixty market days. The continuous process of ranking each asset class and sector by its relative strength provides the data to drive our Fact Based Investment Process without the need to predict what will happen but instead focus on what is happening.

## The Market and Ascend Strategy in 2009


One additional example that can help explain the Ascend strategy is to examine what transpired in 2009. The first quarter of 2009 the market trended lower in a bear market from the great recession and hit a low on March 6<sup>th</sup>. After the market hit its low on March 6<sup>th</sup> it turned and trended in a bull market for the remainder of the year, ending the year higher.

For the first quarter of 2009, our technical trending strategy signaled to continue a risk off approach because the market was trending in a bear market. The AlphaSolutions Ascend strategy invested in more conservative bonds and cash positions during the first quarter of 2009. On March 15<sup>th</sup>, our technical trending signal crossed into bullish territory and we invested into the above average asset classes which amounted to five positions for the second quarter of 2009. The sector rotation portion remained in conservative investments for the second quarter of 2009. In the third quarter, our technical trending strategy signaled a bull market and we continued our risk on approach and invested in the above average asset classes and the top four sectors. Lastly, in the fourth quarter our technical trending strategy signaled a bull market and we invested in the above average asset classes and the top four sectors.



1 <sup>st</sup> Qtr - 2009	2 <sup>nd</sup> Qtr - 2009	3 <sup>rd</sup> Qtr - 2009	4 <sup>th</sup> Qtr - 2009
	MidCap Growth	MidCap Growth	MidCap Growth
	Large Cap Tech (NDX)	LargeCap Tech (NDX)	SmallCap Blend
	LargeCap Growth	SmallCap Blend	MidCap Blend
	LargeCap Blend	MidCap Blend	MidCap Value
		SmallCap Growth	SmallCap Value
	Basic Materials	Basic Materials	Real Estate
Russell 3000 Index			

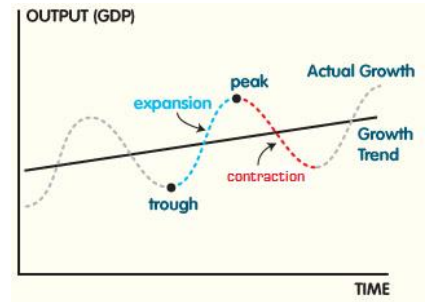
Table 1: 2009 Technical Market Signals and Asset Class Investments



Jan, Feb, March	April, May, June	July	Aug	Sept	Oct	Nov	Dec
Aggregate Bond	Emerging Mkts Bond	Technology	Technology	Financial	Basic Materials	Basic Materials	Basic Materials
7-10 Year Treasury	7-10 Year Treasury	Financial	Financial	Basic Materials	Financial	Financial	Industrial
Investment Grade Corporate Bond	MBS Bond Fund	Basic Materials	Industrial	Industrial	Industrial	Technology	Technology
		Telecom	Consumer Non-Cyclical	Technology	Technology	Energy	Consumer Non-Cyclical

Table 2: 2009 Technical Market Signals and Sector Investments

The idea behind asset rotation investing is that not all the asset classes perform similar or as well during various periods of the economic cycle. For example, during the recovery phase of an economic expansion, the industrial sector may outperform other sectors, whereas, during the contraction phase, defensive positions such as utilities may outperform more economic sensitive sectors. In addition, during a period when international sales are weak due to weak international markets, small cap's may outperform, since, typically a smaller percentage of their sales come from international markets.



Furthermore, the relative performance of an asset class may continue for a period of time because investors will invest in stronger sectors and avoid the weakest areas of the market.



Past performance is no guarantee of future results. Information provided in this report is for educational and illustrative purposes only and should not be construed as individualized investment advice. The investment or strategy discussed may not be suitable for all investors. All investments involve risk and although our rules based investment process utilizes downside risk controls, loss of principal can still occur. Principal values and investments returns are neither guaranteed nor issued by, guaranteed by, or obligations of a bank, savings and loan, or credit union; and are not insured or guaranteed by the FDIC, SIPC, NCUSIF or any other agency.

Current holdings are subject to change at any time without notice. In addition to the normal risk associated with equity investing, investments in small and mid-cap companies exhibit higher volatility and are less readily marketable than investments in larger companies. The holdings in which the strategy invests in are likely to be concentrated in sectors or industries. Holdings concentrated in sectors or industries presents more risks than holdings that are broadly diversified. The S&P 500 Index is an unmanaged group of securities considered to be representative of the stock market in general, and its performance is not reflective of the performance of any specific investment. Investments cannot be made directly into an index.

1 Returns are through September 30, 2021. Net returns reflected after deducting portfolio management fee of .65%, applicable to \$100,000 - \$499,999 account size. Actual management fee will vary for accounts that are less than or greater this range. Management fee schedules are available upon request or may be found in Part 2A of Harvest Investment Service's ADV. Calculations may not reflect all potential fees, charges and expenses that might be incurred over the time frame including program fees, investment advisor fees and administrative fees. Individual performance may vary depending upon the timing of contributions and withdrawals. Historical returns data are calculated using data provided by sources deemed to be reliable, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. This information is provided "AS IS" without any warranty of any kind. All historical returns data should be considered hypothetical. All AlphaSolutions rules based managed models have been back tested over multiple market cycles to prove the validity and reliability of the rules based strategy. Historical back tested returns were based on the use of Ishares Sector ETFs; actual sector ETFs chosen may differ from the use of Ishare Sector ETFs, past and future returns may be higher or lower.

Additional Definitions: The Compound Annual Growth Rate represents the annualized growth rate of an investment over a specified period of time. The Maximum Drawdown represents the greatest peak to trough decline over the life of an investment. Capture Ratio is a measure of the investment performance in periods when the benchmark has positive/negative returns. It tells you what percentage of the up/down market, as represented by the benchmark return, was captured. Standard Deviation is a statistical measurement of dispersion from an average, which, for an investment, depicts how widely the returns varied over the time period indicated. Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. Beta is a measure of price variability relative to the market. Sharpe Ratio is a measure of excess reward per unit of volatility.

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