



# **DUAL MOMENTUM SYSTEMS**

**Process driven investment decisions  
driving better long term results with more  
shallow drawdowns and better risk  
adjusted performance.**



## Disclosure

Nothing in this report should be construed as investment advice, an offer, recommendation, or solicitation to buy or sell any investment. All investing involves risk, including the possible loss of money you invest, and past performance does not guarantee future performance.

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# What is Dual Momentum Investing?



- Dual Momentum strategies are evidence based, rules based, objective, tactical investment methodologies with the goal of maximizing participation in upside market momentum and sidestepping long market downturns by going into Treasuries until the markets are again in an upward trending.



- Dual Momentum investing has two primary components. The first is absolute momentum: is there positive return over your look back period? The second momentum is relative momentum: which investment option has the highest return over the look back period. If there is positive momentum then we invest in the highest relative momentum option, otherwise we stay out of harm's way in Treasuries which tend to perform well when the markets are underperforming.



- Smart Leverage is now a part of these strategies in order to take advantage after outsized losses in the markets. These strategies are in leveraged equities about 10% to 15% of the time on average which is about 4 months every 3 years.



- Why use Dual Momentum Strategies? Most professional managers fail to beat the market indices over time and retail investors do even worse. Buy and Hold investors can match the indices performance but have to suffer tremendous drawdowns along the way. For these reasons I use these Dual Momentum strategies for my investing. You will rarely get out of equities at the very top, and back in at the very bottom, but there are incredible improvements, as the pages that follow will illustrate.



- Is Dual Momentum easy to invest in? Investing in Dual Momentum strategies can take some getting used to, you will experience whipsaw in choppy markets, there may be a change of investment at the end of any given month, the strategy may dictate you be fully invested at a time when you may otherwise not be, it can be hard to reconcile when your investments are performing different than the overall market, there will be periods of a year or longer when you underperform the overall market. However, you are paid off with less drawdowns and far better overall returns over the long run.

## Investment Strategies

### Investments for the month of April 30, 2022

**Strategy Components Invested:**

← Conservative

Aggressive →

Month	Triad	Triad+	The Russell	Global Navigator	LT Gain	LT Gain 3X
Apr 2021	2/6 IWB 2/6 IWS 2/6 VGSH	2/6 SSO 2/6 IWS 2/6 VGSH	Russell Mid-Cap Value	Total US Market	2X S&P 500	3X S&P 500
May 2021	2/6 IWB 2/6 IWS 2/6 VCSH	2/6 SSO 2/6 IWS 2/6 VCSH	Russell Mid-Cap Value	Total US Market	2X S&P 500	3X S&P 500
Jun 2021	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VCSH	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VCSH	Russell Mid-Cap Value	All Country World ex-US	Russell 1000	Russell 1000
Jul 2021	2/6 IWB 2/6 IWS 2/6 VCSH	2/6 IWB 2/6 IWS 2/6 VCSH	Russell Mid-Cap Value	Total US Market	Russell 1000	Russell 1000
Aug 2021	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VGIT	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VGIT	Russell 1000	Total US Market	Russell 1000	Russell 1000
Sep 2021	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VGIT	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VGIT	Russell 1000	Total US Market	Russell 1000	Russell 1000
Oct 2021	2/6 IWB 4/6 VCSH	2/6 IWB 4/6 VCSH	Russell Mid-Cap Growth	Total US Market	Russell 1000	Russell 1000
Nov 2021	2/6 IWB 2/6 IWS 2/6 VGSH	2/6 IWB 2/6 IWS 2/6 VGSH	Russell Mid-Cap Growth	Total US Market	Russell 1000	Russell 1000
Dec 2021	2/6 IWB 4/6 VGSH	2/6 IWB 4/6 VGSH	Russell 1000	Total US Market	Russell 1000	Russell 1000
Jan 2022	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VGSH	1/6 SGOL 2/6 IWB 2/6 IWS 1/6 VGSH	Russell 1000	Total US Market	Russell 1000	Russell 1000
Feb 2022	1/6 SGOL 2/6 IWS 3/6 VGSH	1/6 SGOL 2/6 IWS 3/6 VGSH	Short Term Treasuries	Short Term Treasuries	Short Term Treasuries	Short Term Treasuries
Mar 2022	1/6 SGOL 5/6 VGSH	1/6 SGOL 5/6 VGSH	Short Term Treasuries	Short Term Treasuries	Short Term Treasuries	Short Term Treasuries
<b>Apr 2022</b>	<b>1/6 SGOL 2/6 IWS 3/6 VGSH</b>	<b>1/6 SGOL 2/6 IWS 3/6 VGSH</b>	<b>Russell Mid-Cap Value</b>	<b>Total US Market</b>	<b>Russell 1000</b>	<b>Russell 1000</b>

**For April, here are the investments by strategy:**

**Triad**

May invest 1/3 into each of: Russell 1000 & Russell MidCap Value, and 1/6th into Gold. Otherwise into the best of: Short Term Investment Grade Bonds, Short Term Treasuries, or Intermediate Term Treasuries.

For the month of April 2022 invest In: 1/6 SGOL 2/6 IWS 3/6 VGSH

IWB = Russell 1000, IWS = Russell MidCap Value, SGOL = Gold

VGSH = Short Term Treasuries, VGIT = Intermediate Term Treasuries, VCSH = Short Term Investment Grade Corporate Bonds

**Triad+**

May invest 2/6 into each of: Russell 1000 & Russell Mid-Cap Value, and up to 1/6 into Gold. The remainder goes into the best of: Short Term Investment Grade Bonds, Short Term Treasuries, or Intermediate Term Treasuries. + Smart Leverage.

For the month of April 2022 invest In: 1/6 SGOL 2/6 IWS 3/6 VGSH

IWB = Russell 1000 [SSO 2X S&P 500], IWS = Russell MidCap Value, SGOL = Gold

VGSH = Short Term Treasuries, VGIT = Intermediate Term Treasuries, VCSH = Short Term Investment Grade Corporate Bonds

**Global Navigator**

Invests in US or Foreign, with limited Smart Leverage in USA only, Long Term Treasuries when markets are going down, Treasury Duration Limiter may limit treasuries to Short Term.

For the month of April 2022 invest in: [VTI] Total US Market

**The Russell**

Goes into either Russell: 1000, MidCap Growth, or Russell MidCap Value, Long Term Treasuries when markets are going down, Treasury Duration Limiter may limit treasuries to Short Term.

For the month of April 2022 invest In: [IWS] Russell Mid-Cap Value

**LT Gain**

Invests into the Russell: 1000 with positive momentum, with Smart Leverage into 2X S&P 500, Long Term Treasuries when markets are going down

For the month of April 2022 invest In: [IWB] Russell 1000

**LT Gain 3X**

Invests into the Russell: 1000 with positive momentum, with Smart Leverage into 3X S&P 500, Extended Duration Treasuries when markets are going down, Treasury Duration Limiter may limit treasuries to Short Term.

For the month of April 2022 invest In: [IWB] Russell 1000

## Investment Strategies

### Rolling 12 Month Returns Through March 31, 2022

#### Returns and Maximum Drawdown:

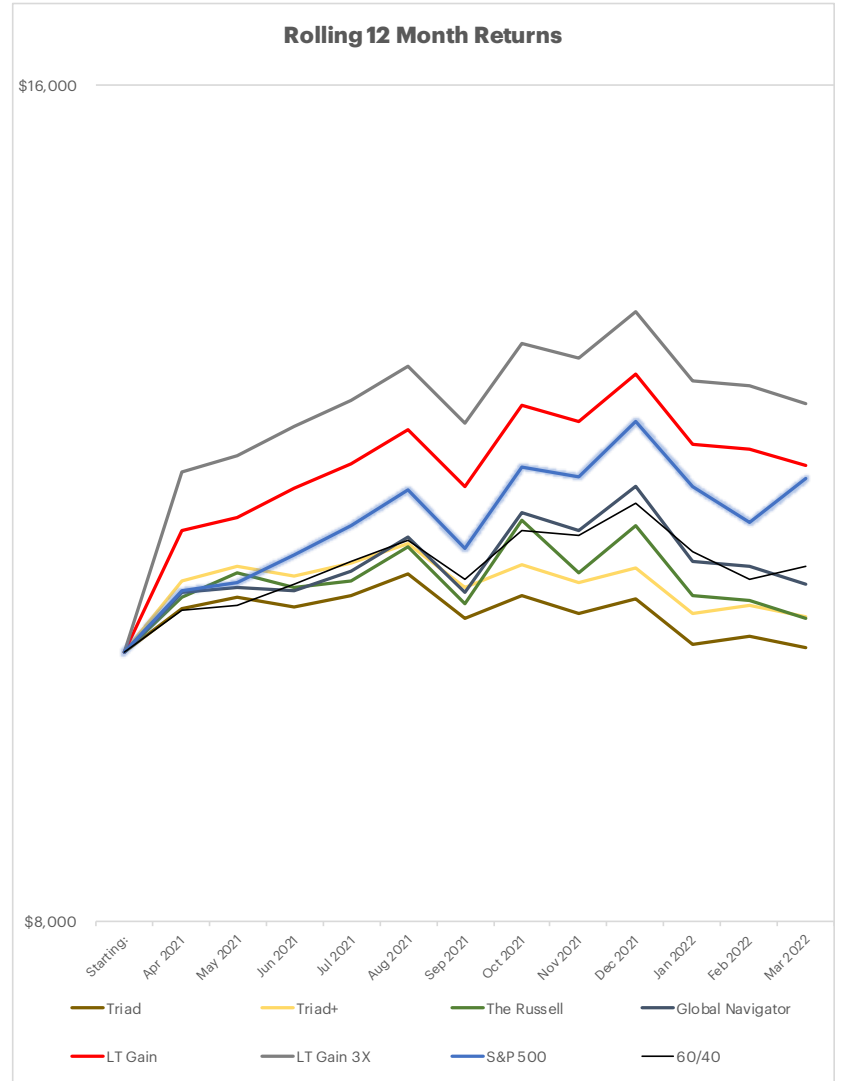
Month	Conservative			Aggressive					
	US Market S&P 500	Balanced 60/40	Nasdaq 100 QQQ	Triad	Triad+	The Russell	Global Navigator	LT Gain	LT Gain 3X
Apr 2021	5.29%	3.52%	5.91%	3.64%	6.09%	4.72%	5.04%	10.61%	16.17%
May 2021	0.66%	0.46%	-1.20%	1.01%	1.24%	1.97%	0.46%	1.09%	1.36%
Jun 2021	2.25%	1.71%	6.26%	-0.88%	-0.83%	-1.23%	-0.34%	2.44%	2.44%
Jul 2021	2.44%	1.93%	2.86%	1.02%	1.01%	0.60%	1.74%	2.09%	2.09%
Aug 2021	2.98%	1.71%	4.22%	1.78%	1.69%	2.86%	2.86%	2.86%	2.86%
Sep 2021	-4.66%	-3.20%	-5.68%	-3.66%	-3.56%	-4.60%	-4.46%	-4.60%	-4.60%
Oct 2021	7.02%	4.24%	7.86%	1.96%	1.96%	7.14%	6.69%	6.90%	6.90%
Nov 2021	-0.80%	-0.40%	2.00%	-1.47%	-1.47%	-4.30%	-1.46%	-1.27%	-1.27%
Dec 2021	4.63%	2.65%	1.15%	1.20%	1.20%	3.97%	3.79%	3.97%	3.97%
Jan 2022	-5.27%	-3.99%	-8.75%	-3.74%	-3.74%	-5.63%	-6.06%	-5.63%	-5.63%
Feb 2022	-2.95%	-2.23%	-4.48%	0.69%	0.69%	-0.40%	-0.40%	-0.40%	-0.40%
Mar 2022	3.76%	1.16%	4.67%	-0.92%	-0.92%	-1.42%	-1.42%	-1.42%	-1.42%
<b>12 Mo Rtrn:</b>	<b>15.49%</b>	<b>7.44%</b>	<b>14.14%</b>	<b>0.36%</b>	<b>3.02%</b>	<b>2.84%</b>	<b>5.82%</b>	<b>16.67%</b>	<b>22.86%</b>
Max DD:	-8.06%	-6.12%	-12.84%	-5.94%	-5.84%	-7.81%	-7.76%	-7.34%	-7.34%

b/(w) S&P 500: 0.0% -8.1% -1.4% -15.1% -12.5% -12.6% -9.7% 1.2% 7.4%

#### \$10,000 turns into:

Month	Conservative			Aggressive					
	US Market S&P 500	Balanced 60/40	Nasdaq 100 QQQ	Triad	Triad+	The Russell	Global Navigator	LT Gain	LT Gain 3X
<b>Starting:</b>	\$ 10,000	\$ 10,000	\$ 10,000	\$10,000	\$10,000	\$ 10,000	\$10,000	\$ 10,000	\$ 10,000
Apr 2021	\$ 10,529	\$ 10,352	\$ 10,591	\$10,364	\$10,609	\$ 10,472	\$10,504	\$ 11,061	\$ 11,617
May 2021	\$ 10,598	\$ 10,399	\$ 10,464	\$10,469	\$ 10,741	\$ 10,678	\$ 10,552	\$ 11,182	\$ 11,775
Jun 2021	\$ 10,837	\$ 10,577	\$ 11,119	\$ 10,377	\$ 10,651	\$ 10,547	\$ 10,516	\$ 11,454	\$ 12,062
Jul 2021	\$ 11,101	\$ 10,782	\$ 11,437	\$10,483	\$ 10,759	\$ 10,610	\$10,699	\$ 11,694	\$ 12,314
Aug 2021	\$ 11,432	\$ 10,966	\$ 11,920	\$10,670	\$ 10,941	\$ 10,914	\$ 11,005	\$ 12,028	\$ 12,667
Sep 2021	\$ 10,899	\$ 10,615	\$ 11,243	\$ 10,279	\$ 10,551	\$ 10,412	\$ 10,515	\$ 11,475	\$ 12,084
Oct 2021	\$ 11,665	\$ 11,065	\$ 12,126	\$ 10,481	\$ 10,758	\$ 11,155	\$ 11,218	\$ 12,267	\$ 12,918
Nov 2021	\$ 11,571	\$ 11,021	\$ 12,369	\$10,326	\$10,599	\$ 10,675	\$ 11,054	\$ 12,111	\$ 12,754
Dec 2021	\$ 12,107	\$ 11,314	\$ 12,511	\$10,450	\$ 10,727	\$ 11,099	\$ 11,473	\$ 12,592	\$ 13,260
Jan 2022	\$ 11,469	\$ 10,863	\$ 11,416	\$10,060	\$10,326	\$ 10,474	\$ 10,778	\$ 11,883	\$ 12,513
Feb 2022	\$ 11,131	\$ 10,621	\$ 10,905	\$ 10,130	\$10,397	\$ 10,432	\$ 10,735	\$ 11,835	\$ 12,463
Mar 2022	\$ 11,549	\$ 10,744	\$ 11,414	\$10,036	\$10,302	\$ 10,284	\$ 10,582	\$ 11,667	\$ 12,286

### Rolling 12 Month Returns



# Investment Strategies

1980 through March 31, 2022

Annual returns:

← Conservative

Aggressive →

Year End	Benchmarks			Dual Momentum					
	US Market S&P 500	Balanced 60/40	Nasdaq 100 QQQ	Triad	Triad+	The Russell	Global Navigator	LT Gain	LT Gain 3X
1980	32.49%	21.02%	33.38%	16.59%	16.59%	37.62%	24.71%	30.75%	30.75%
1981	-4.90%	0.07%	-0.63%	7.79%	7.79%	8.79%	6.78%	5.88%	5.88%
1982	21.55%	25.68%	18.20%	31.59%	39.32%	46.30%	58.83%	58.83%	85.40%
1983	22.55%	16.21%	19.58%	18.95%	27.42%	28.73%	39.65%	43.75%	68.57%
1984	6.25%	9.84%	-13.19%	6.62%	6.94%	6.35%	7.86%	8.50%	8.50%
1985	31.23%	27.65%	32.38%	21.08%	21.08%	21.87%	37.63%	27.87%	27.87%
1986	18.05%	17.65%	10.83%	11.37%	11.37%	16.39%	64.58%	17.02%	17.02%
1987	4.68%	4.81%	-11.38%	-0.82%	-0.82%	-7.61%	7.71%	-5.52%	-5.52%
1988	16.22%	12.64%	19.47%	8.07%	9.06%	8.13%	0.05%	12.09%	14.78%
1989	31.38%	24.20%	19.49%	22.03%	34.07%	26.51%	16.95%	64.31%	107.68%
1990	-3.32%	1.56%	-17.55%	-2.92%	-2.92%	-13.60%	-7.76%	-10.72%	-10.72%
1991	30.22%	24.30%	46.97%	17.09%	23.14%	27.22%	38.43%	34.64%	51.88%
1992	7.40%	7.35%	21.54%	11.03%	11.03%	15.78%	9.37%	8.98%	11.21%
1993	9.58%	9.66%	15.37%	11.33%	11.33%	12.00%	16.89%	10.18%	10.18%
1994	0.38%	-0.77%	-3.66%	-3.91%	-3.91%	-5.75%	-0.14%	-6.23%	-7.69%
1995	38.05%	29.81%	42.46%	28.08%	28.08%	36.48%	35.77%	37.77%	37.77%
1996	22.51%	14.70%	23.41%	13.49%	13.49%	6.66%	12.74%	14.28%	14.28%
1997	33.49%	23.58%	21.27%	25.44%	25.44%	24.03%	30.99%	32.85%	32.85%
1998	28.69%	21.01%	32.17%	10.41%	15.16%	2.58%	8.94%	11.86%	18.18%
1999	20.39%	11.65%	80.58%	5.01%	4.98%	42.48%	31.50%	19.71%	24.16%
2000	-9.74%	-1.49%	-28.93%	10.73%	10.73%	8.59%	-6.96%	8.67%	8.67%
2001	-11.75%	-3.81%	-25.59%	4.93%	4.93%	7.80%	7.80%	7.80%	7.80%
2002	-21.59%	-9.80%	-29.86%	8.42%	4.55%	9.12%	18.20%	2.44%	1.38%
2003	28.16%	18.19%	41.08%	20.60%	29.00%	43.24%	69.72%	74.69%	126.58%
2004	10.71%	8.00%	9.84%	12.46%	14.99%	23.22%	20.74%	25.59%	40.20%
2005	4.83%	3.87%	4.49%	8.57%	8.04%	9.21%	7.50%	0.23%	-1.04%
2006	15.84%	10.95%	8.27%	14.87%	15.28%	17.37%	22.38%	14.25%	14.25%
2007	5.14%	5.94%	9.44%	11.74%	11.74%	9.59%	21.98%	6.71%	6.71%
2008	-36.81%	-21.86%	-42.67%	0.65%	0.65%	6.67%	6.67%	6.67%	6.67%
2009	26.38%	18.66%	45.53%	25.38%	36.00%	31.19%	42.21%	63.01%	99.25%
2010	15.06%	12.04%	18.51%	14.06%	20.54%	16.24%	7.05%	18.12%	29.53%
2011	1.88%	4.38%	-1.14%	8.50%	9.21%	32.68%	30.76%	33.18%	57.58%
2012	16.00%	11.39%	15.46%	8.47%	10.03%	19.12%	36.13%	31.05%	46.82%
2013	32.31%	17.44%	35.69%	21.84%	21.84%	35.27%	22.16%	32.78%	32.78%
2014	13.48%	10.56%	16.11%	7.67%	7.67%	10.30%	9.32%	13.07%	13.07%
2015	1.26%	1.11%	6.50%	-1.32%	-1.32%	-1.46%	-7.95%	-2.58%	-2.33%
2016	12.00%	8.34%	7.39%	9.99%	9.99%	12.30%	8.82%	7.86%	8.78%
2017	21.71%	14.26%	27.28%	10.77%	10.77%	21.78%	19.39%	21.53%	21.53%
2018	-4.56%	-2.47%	-1.10%	0.11%	0.11%	6.48%	3.55%	3.71%	3.71%
2019	31.23%	21.98%	28.83%	9.89%	9.89%	7.84%	5.57%	9.13%	9.13%
2020	18.39%	14.93%	43.75%	16.53%	24.55%	21.53%	38.44%	40.54%	67.08%
2021	28.76%	15.74%	27.41%	10.92%	16.66%	25.38%	19.86%	41.12%	55.90%
2022	-4.61%	-9.40%	-8.77%	-3.96%	-3.96%	-7.34%	-7.76%	-7.34%	-7.34%
+/- S&P YTD:	0.0%	-4.8%	-4.2%	0.6%	0.6%	-2.7%	-3.2%	-2.7%	-2.7%
CAGR	12.0%	10.2%	11.5%	11.3%	13.0%	15.8%	18.5%	19.0%	24.8%

**DUAL  
MOMENTUM  
SYSTEMS**

## **Strategy Fact Sheets**

# Dual Momentum Strategies: Triad

US Markets and Gold Rotational Strategy with multiple out of market options

Results through 03/31/2022

## Investment selection for April 2022:

1/6 SGOL 2/6 IWS 3/6 VGSH

## Tax friendliness:

**Triad** is very tax friendly, mostly Long Term Cap Gains.

## Months between change of holdings

Triad has a change to one of its holdings every 2.13 months on average.

## Portfolio size appropriateness:

Whale, **Triad** can be used for any sized portfolio.

## Characteristics:

Drawdowns: **Triad** has more conservative drawdowns than a Balanced 60/40 strategy

Volatility: **Triad** is noticeably less volatile than a Balanced 60/40 approach

Returns: **Triad** has similar historical returns depending on the time frame, and should do better going forward.

## Strategy Description:

Triad was created as a better option than a Balanced 60% Stock and 40% Bond portfolio for the future. The 50 year bond bull market looks to be ending, Instead of using aggregate bonds; Short Term Treasuries, Intermediate Term Treasuries, and Short Term Corporate Investment Grade Bonds are evaluated and the best option is selected. Triad has an average equity allocation of 59%, and a maximum equity allocation of 83%. This strategy never uses any leverage.

## Strategy Components

IWB Russell 1000, IWS Russell MidCap Value, SGOL Gold  
 VCSH Short Term Corporate Investment Grade Bonds  
 VGSH Short Term Treasuries  
 VGIT Intermediate Term Treasuries

Metric	2000+	1980+
Beta	0.25	0.35
Alpha	8.39%	7.02%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Triad</b>	-3.96%	0.36%	10.45%	7.94%	8.07%	10.20%	11.27%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown single largest drawdown.

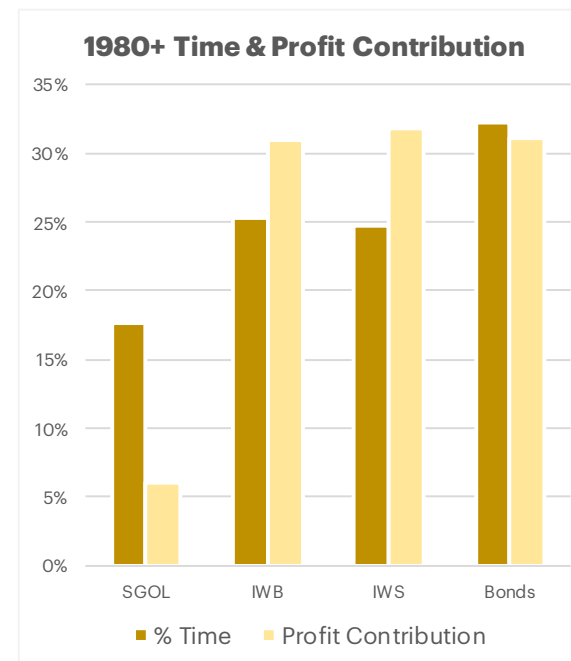
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Triad</b>	-3.96%	-5.94%	-5.94%	-5.94%	-5.94%	-10.02%	-15.33%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Triad</b>	3.13	3.11	2.40	2.41	2.08	2.47	3.02
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

## Sortino Ratio, risk adjusted performance measure - bigger number is better.

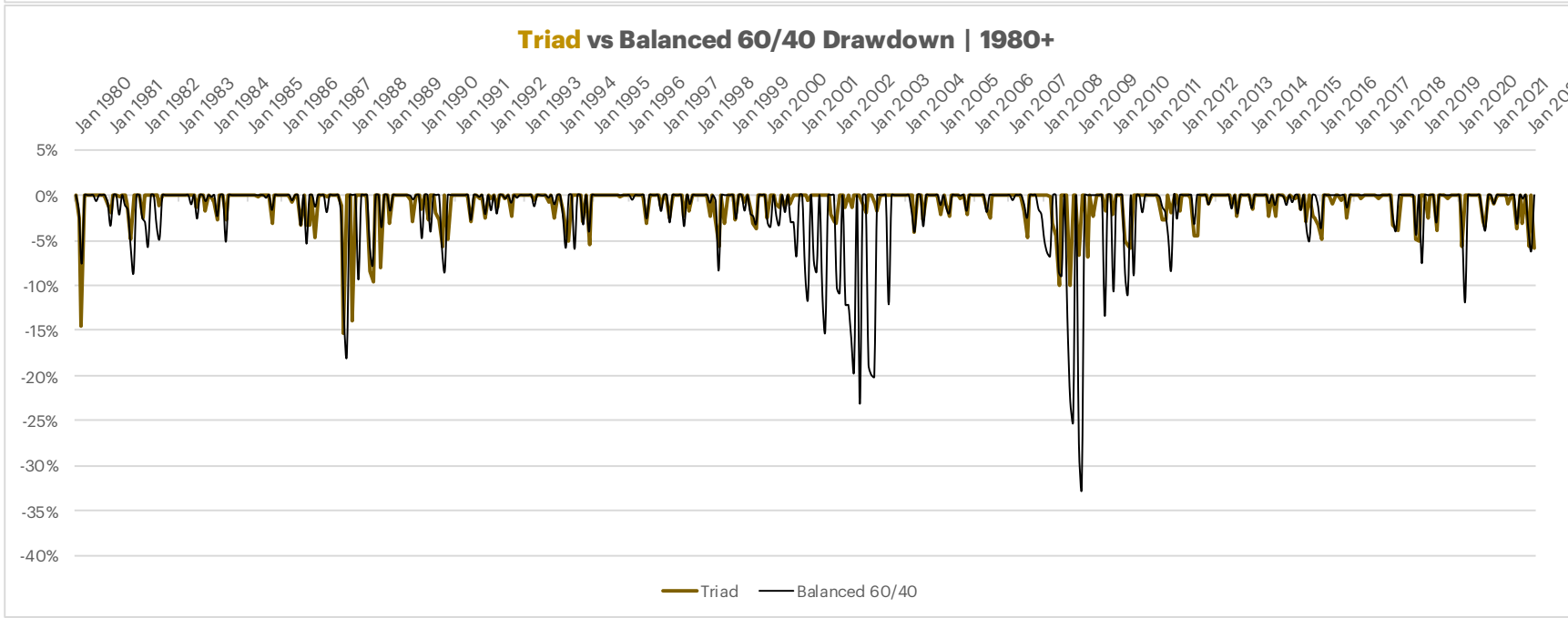
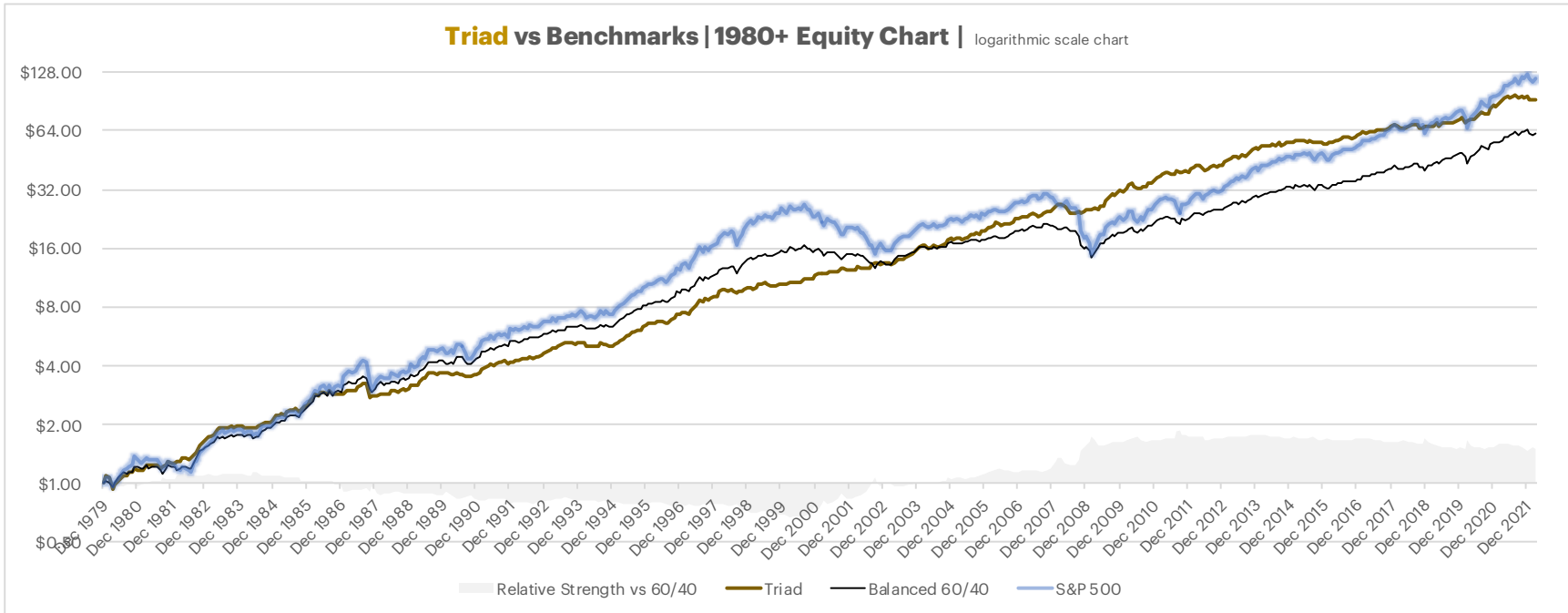
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Triad</b>	(2.65)	(1.32)	0.02	(0.36)	(0.40)	2.29	2.16
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20



Triad inception date April 2021, out of sample since then and before 2000.



Dual Momentum Systems: **Triad**



Triad inception date April 2021, out of sample since then and before 2000.

# Dual Momentum Strategies: Triad+

US Markets and Gold Rotational Strategy with multiple out of market options

Results through 03/31/2022

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1/6 SGOL 2/6 IWS 3/6 VGSH

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Whale, Triad can be used for any sized portfolio.

## Characteristics:

Drawdowns: Triad+ has more conservative drawdowns than a Balanced 60/40 strategy

Volatility: Triad+ is noticeably less volatile than a Balanced 60/40 approach

Returns: Triad+ has similar historical returns depending on the time frame, and should do better going forward.

Leverage: Triad+ has a maximum leverage of 133%, and an average leverage of 106%.

## Strategy Description:

Triad+ was created as a better option than a Balanced 60% Stock and 40% Bond portfolio for the future. Instead of using aggregate bonds; Short Term Treasuries, Intermediate Term Treasuries, and Short Term Corporate Investment Grade Bonds are evaluated and the best option is selected. Triad has an average equity allocation of 59%, and a maximum equity allocation of 83%. This strategy takes Triad and adds Smart Leverage to the 2/6 IWB position, allowing it to go to 2X SSO after a month end drawdown of 15% or greater in IWB.

## Strategy Components

IWB Russell 1000, SSO with Smart Leverage

IWS Russell MidCap Value, SGOL Gold

VCSH Short Term Corporate Investment Grade Bonds

VGSH Short Term Treasuries

VGIT Intermediate Term Treasuries

Metric	2000+	1980+
Beta	0.31	0.41
Alpha	9.56%	7.99%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Triad+	-3.96%	3.02%	14.85%	10.50%	9.05%	11.83%	12.99%
Triad	-3.96%	0.36%	10.45%	7.94%	8.07%	10.20%	11.27%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%

## Maximum Drawdown single largest drawdown.

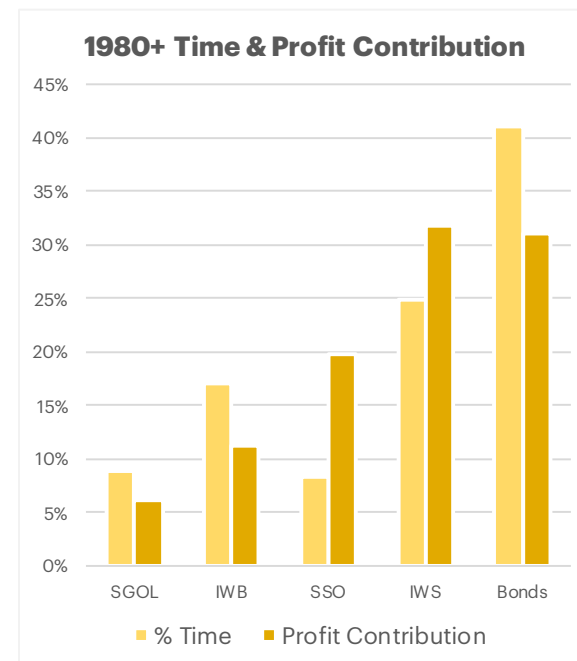
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Triad+	-3.96%	-5.84%	-6.33%	-6.33%	-7.07%	-10.02%	-15.33%
Triad	-3.96%	-5.94%	-5.94%	-5.94%	-5.94%	-10.02%	-15.33%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%

## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

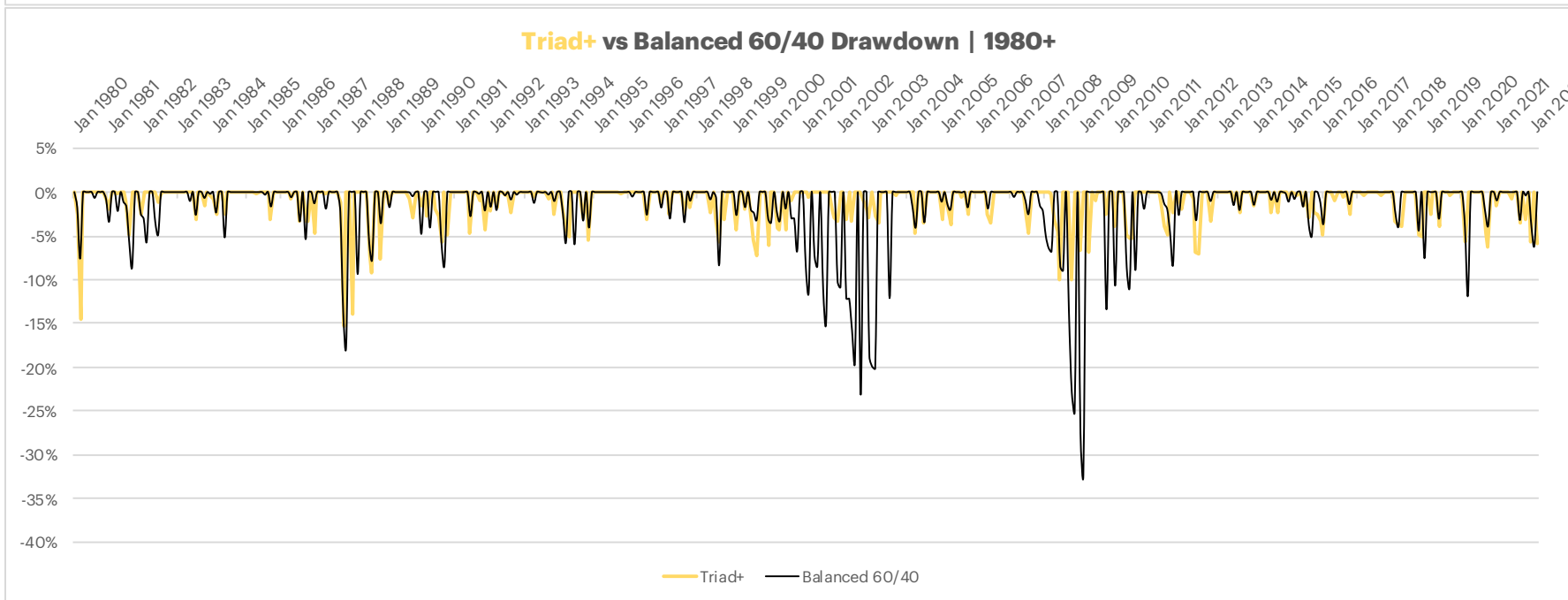
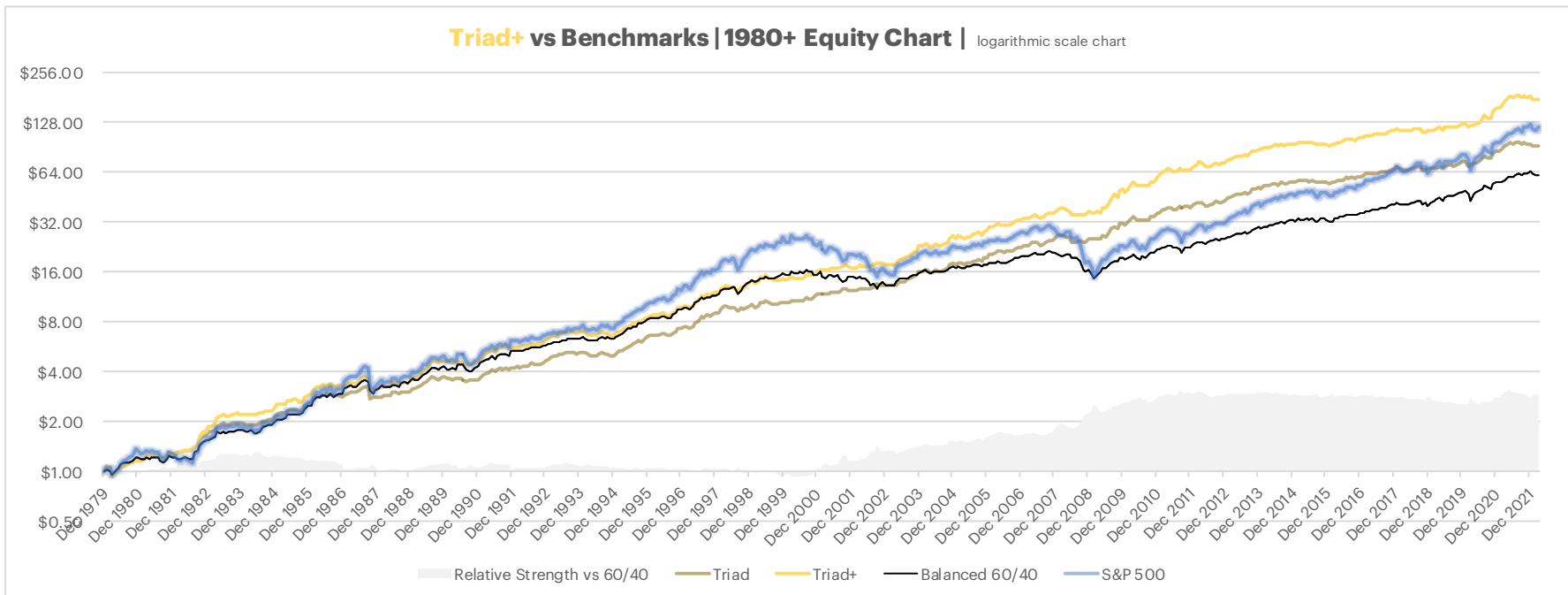
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Triad+	3.13	3.04	2.60	2.54	2.38	2.69	3.19
Triad	3.13	3.11	2.40	2.41	2.08	2.47	3.02
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91

## Sortino Ratio, risk adjusted performance measure - bigger number is better.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Triad+	(2.65)	(0.96)	0.59	0.04	(0.20)	2.41	2.33
Triad	(2.65)	(1.32)	0.02	(0.36)	(0.40)	2.29	2.16
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63



Triad+ inception date March 2022 [Triad inception date April 2021]



Triad+ inception date March 2022 [Triad inception date April 2021]

# Dual Momentum Strategies: The Russell

USA Momentum Rotational

Results through 03/31/2022

## Investment selection for April 2022:

IWS, Russell Mid-Cap Value

## Tax friendliness:

The Russell has mostly Short Term Cap Gains.

## Months between change of holdings

The Russell changes its holdings every 3.3 months on average.

## Portfolio size appropriateness:

Whale, The Russell can be used for any sized portfolio.

## Characteristics:

Drawdowns: The Russell has more conservative drawdowns than the S&P.

Volatility: The Russell is usually less volatile than the S&P over time.

Returns: The Russell has much better historical returns compared to the S&P 500.

Leverage: The Russell never uses any leverage.

## Strategy Description:

The Russell invests in the United States, going into the best performer of the Russell 1000, Russell MidCap Growth, or Russell MidCap Value. When these markets aren't experiencing positive momentum the strategy goes into Long Term Treasuries, or into Short Duration Treasuries if the Treasury Duration Limiter kicks in. The Russell has an average leverage of 100%, and a maximum leverage of 100% (meaning no leverage at all, 100% being the nominal position.)

## Strategy Components

IWB Russell 1000

IWP Russell MidCap Growth

IWS Russell MidCap Value

TLT Long Term Treasuries, or VGSH with Treasury Duration Limiter

Metric	2000+	1980+
Beta	0.30	0.51
Alpha	13.68%	9.66%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
The Russell	-7.34%	2.84%	14.70%	13.56%	13.15%	15.88%	15.84%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown single largest drawdown.

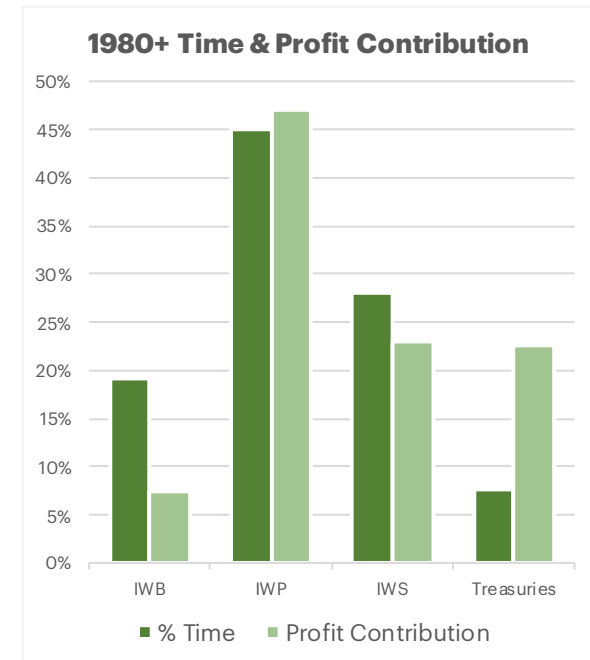
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
The Russell	-7.34%	-7.81%	-8.07%	-8.07%	-10.99%	-19.41%	-23.41%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
The Russell	5.52	3.74	3.96	3.98	3.56	4.19	5.59
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

## Sortino Ratio, risk adjusted performance measure - bigger number is better.

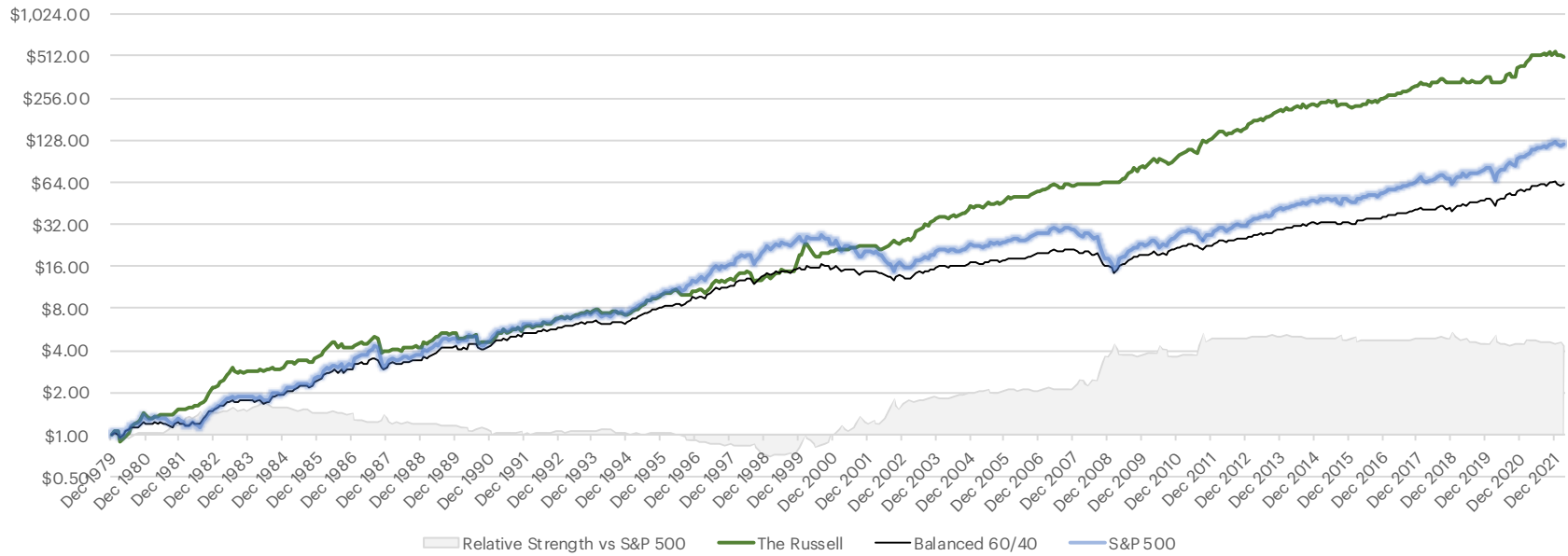
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
The Russell	(2.87)	(0.63)	0.49	0.39	0.36	2.31	1.88
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20



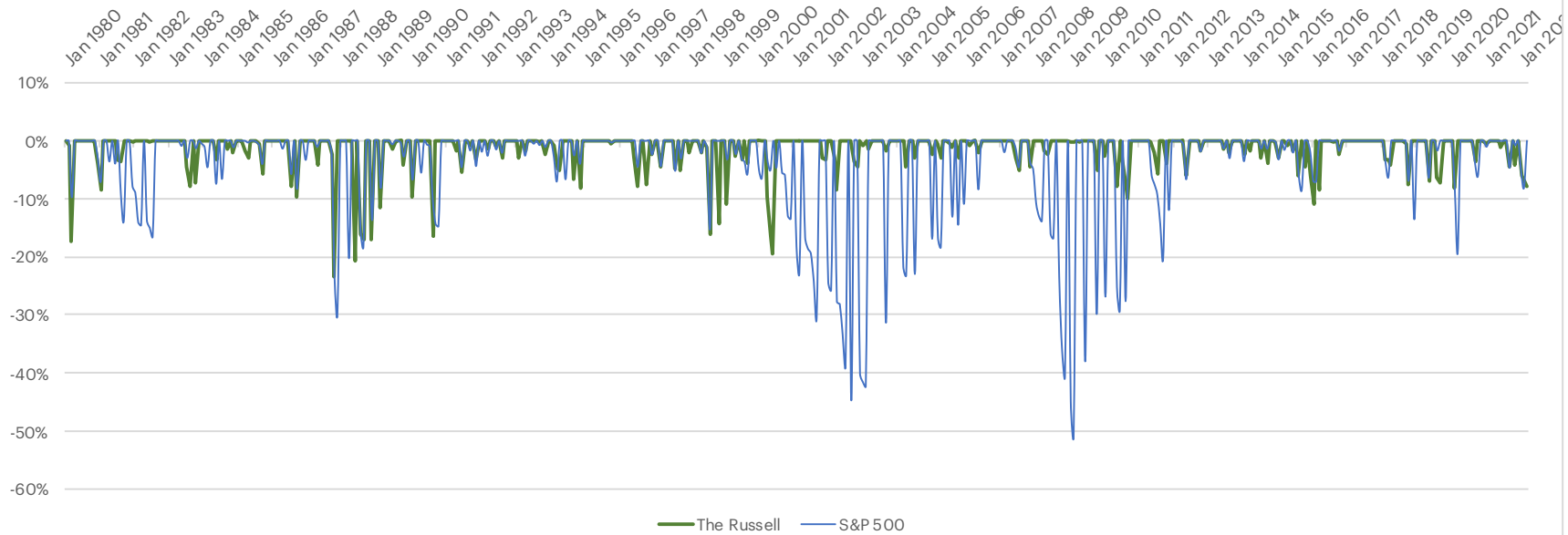
The Russell inception date May 2017, out of sample since and before 2000.

## Dual Momentum Systems: The Russell

### The Russell vs Benchmarks | 1980+ Equity Chart | logarithmic scale chart



### The Russell vs S&P 500 Drawdown | 1980+



The Russell inception date May 2017, out of sample since and before 2000.

# Dual Momentum Strategies: Global Navigator

Global Momentum Rotational Strategy using Smart Leverage

Results through 03/31/2022

## Investment selection for April 2022:

VTI, Total US Market

## Tax friendliness:

**Global Navigator** has mostly Short Term Cap Gains.

## Months between change of holdings

Global Navigator changes it's holdings every 3.9 months on average.

## Portfolio size appropriateness:

Whale, **Global Navigator** can be used for any sized portfolio.

## Characteristics:

Drawdowns: **Global Navigator** has more conservative drawdowns than the S&P.

Volatility: **Global Navigator** is usually less volatile than the S&P over time.

Returns: **Global Navigator** has superior historical returns compared to the S&P 500.

Leverage: Global Navigator has a maximum leverage of 200% and average leverage of: 109%

## Strategy Description:

**Global Navigator** is a global strategy, investing in the USA when it is outperforming, and in Foreign markets when they outperform. This strategy uses Smart Leverage, after an outsized drawdown in the markets, could go into 2X Leveraged equities if the USA Markets are the investment, not if going into Foreign Markets. When it goes into 2X leveraged position, it holds it until there is a natural change of investment by the strategy. The strategy holds long term treasuries when out of equities.

## Strategy Components

VTI Total US Market → Smart Leverage: SSO 2X S&P 500

VXUS All World Country ex-USA

TLT Long Term Treasuries, or VGSH with Treasury Duration Limiter

Metric	2000+	1980+
Beta	0.38	0.52
Alpha	13.78%	12.16%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Global Navigator</b>	-7.76%	5.82%	17.00%	13.58%	11.18%	16.54%	18.46%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown single largest drawdown.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Global Navigator</b>	-7.76%	-7.76%	-12.92%	-12.92%	-15.62%	-15.62%	-17.56%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

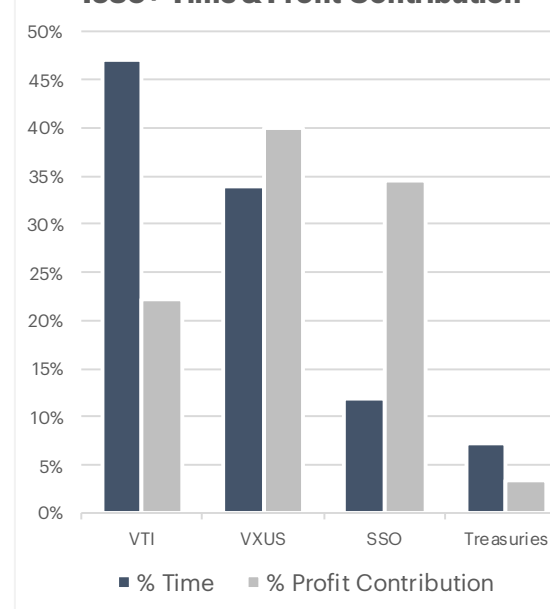
## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Global Navigator</b>	5.88	3.51	4.63	4.66	5.25	4.23	4.81
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

## Sortino Ratio, risk adjusted performance measure - bigger number is better.

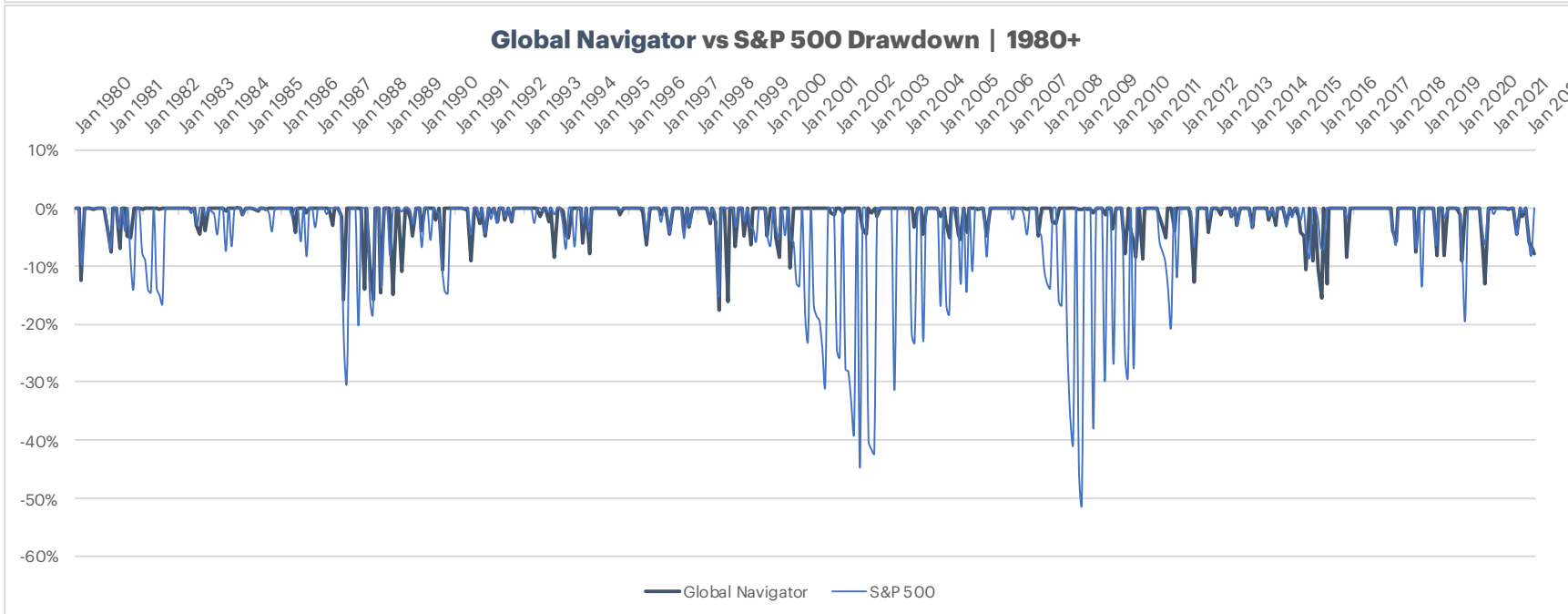
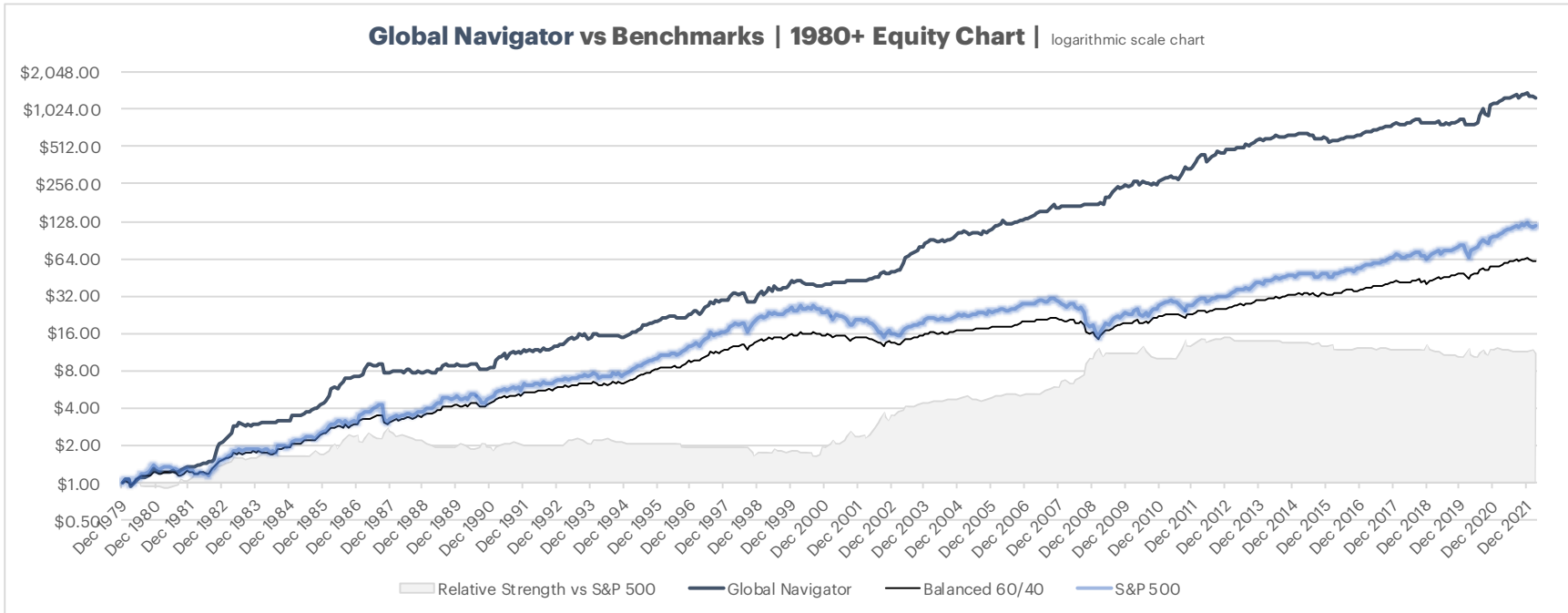
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>Global Navigator</b>	(2.83)	(0.40)	0.69	0.40	0.15	2.34	2.34
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20

## 1980+ Time & Profit Contribution



Global Navigator inception date May 2017. Smart Leverage added in October 2020, out of sample then and before 2000.

Dual Momentum Systems: Global Navigator



Global Navigator inception date May 2017. Smart Leverage added in October 2020, out of sample then and before 2000.

# Dual Momentum Strategies: **LT Gain**

Single Momentum Strategy using Smart Leverage

Results through 03/31/2022

## Investment selection for April 2022:

IWB, Russell 1000

## Tax friendliness:

**LT Gain** has mostly Long Term Cap Gains.

## Months between change of holdings

LT Gain changes it's holdings every 6 months on average.

## Portfolio size appropriateness:

Whale, **LT Gain** can be used for any sized portfolio.

## Characteristics:

Drawdowns: **LT Gain** has more conservative drawdowns than the S&P.

Volatility: **LT Gain** is usually less volatile than the S&P over time.

Returns: **LT Gain** has superior historical returns compared to the S&P 500.

Leverage: LT Gain has a maximum leverage of 200% and average leverage of: 123%

## Strategy Description:

**LT Gain** invests in the United States, when LT Gain 1000 shows positive momentum it invests in it. When these markets aren't experiencing positive momentum the strategy goes into Long Term Treasuries. This strategy uses Smart Leverage and goes into 2X S&P 500 after an outsized drawdown in the markets and will hold that position for up to 1 full year at which point it would go back into the Russell 1000 with positive momentum.

## Strategy Components

IWB Russell 1000 → Smart Leverage: SSO 2X S&P 500

TLT Long Term Treasuries, or VGSH with Treasury Duration Limiter

Metric	2000+	1980+
Beta	0.51	0.67
Alpha	15.09%	10.89%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>LT Gain</b>	-7.34%	16.67%	25.73%	19.00%	15.28%	18.78%	18.96%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown single largest drawdown.

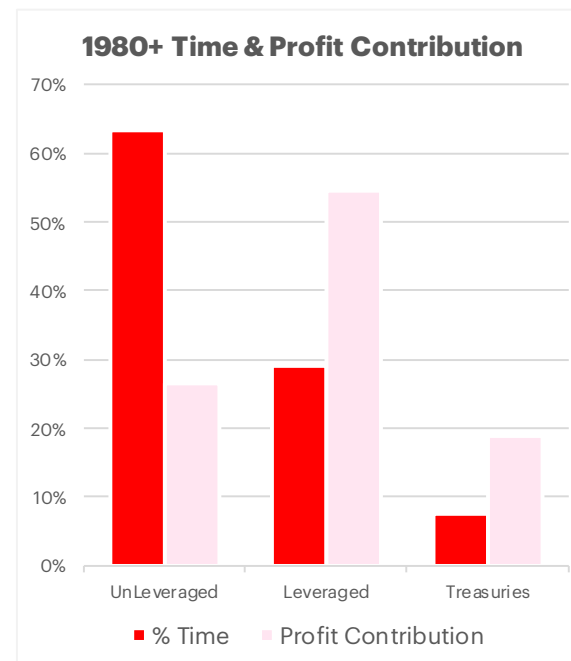
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>LT Gain</b>	-7.34%	-7.34%	-12.92%	-12.92%	-12.92%	-14.67%	-23.41%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>LT Gain</b>	5.52	3.33	4.53	4.37	4.10	3.78	5.03
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

## Sortino Ratio, risk adjusted performance measure - bigger number is better.

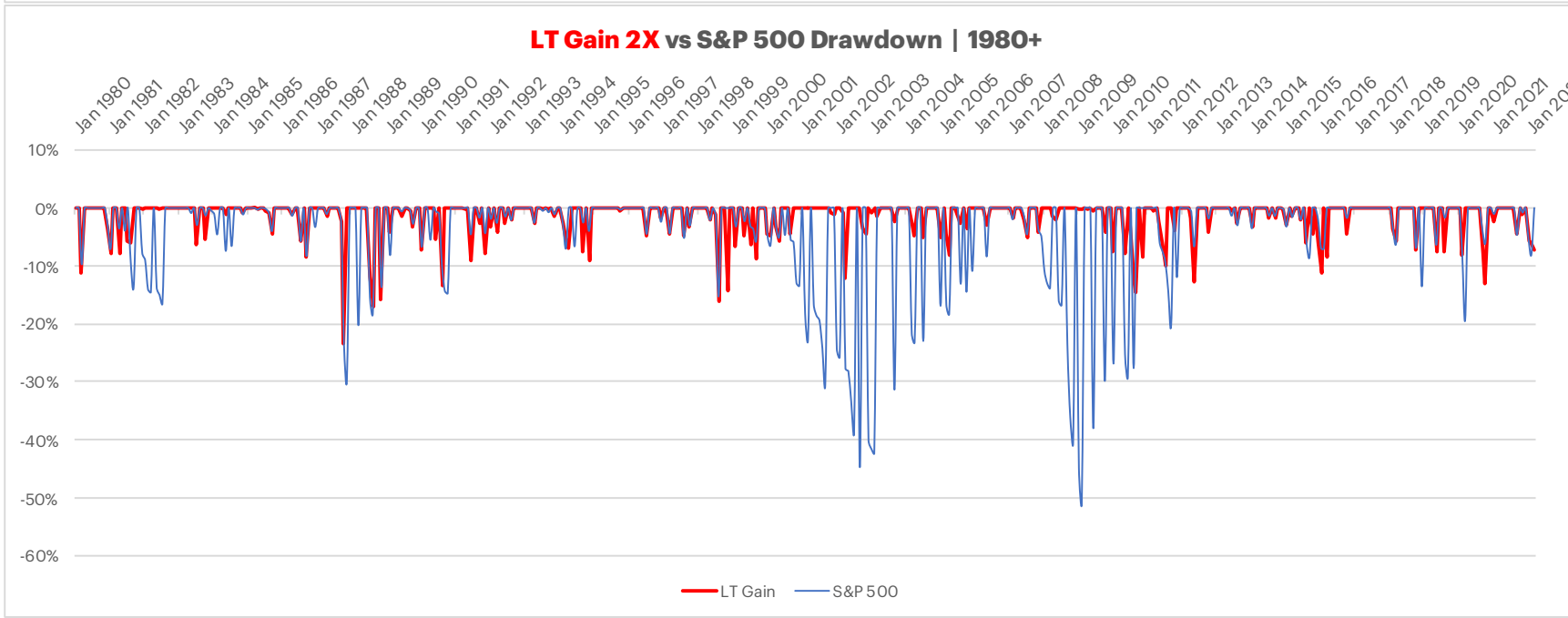
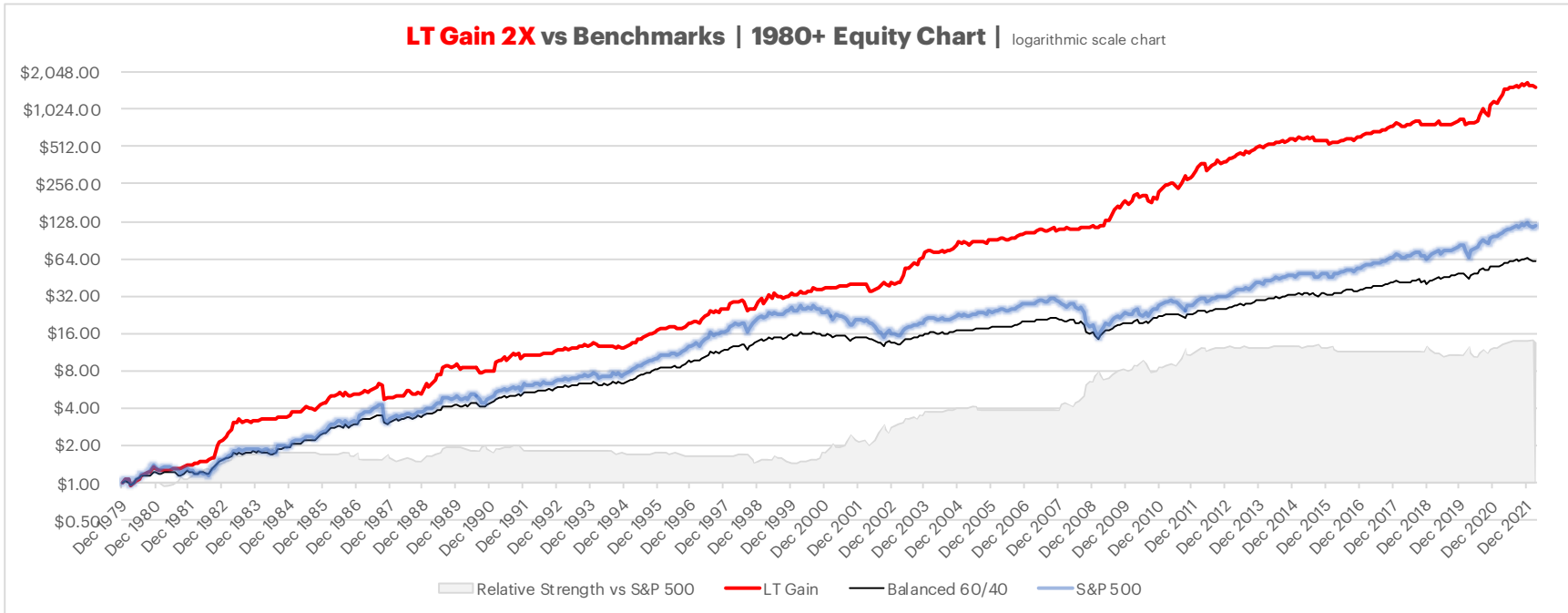
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
<b>LT Gain</b>	(2.87)	0.70	1.39	0.92	0.56	2.35	2.15
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20



LT Gain inception date January 2022.



Dual Momentum Systems: LT Gain OG



LT Gain inception date January 2022.

# Dual Momentum Strategies: LT Gain 3X

Single Momentum Strategy using Smart Leverage

Results through 03/31/2022

## Investment selection for April 2022:

IWB, Russell 1000

## Tax friendliness:

LT Gain 3X has mostly Long Term Cap Gains.

## Months between change of holdings

LT Gain 3X changes it's holdings every 3.9 months on average.

## Portfolio size appropriateness:

Whale, LT Gain 3X can be used for any sized portfolio.

## Characteristics:

Drawdowns: LT Gain 3X has more conservative drawdowns than the S&P.

Volatility: LT Gain 3X is usually less volatile than the S&P over time.

Returns: LT Gain 3X has superior historical returns compared to the S&P 500.

Leverage: LT Gain 3X has a maximum leverage of 300% and average leverage of: 123%

## Strategy Description:

LT Gain 3X invests in the United States, when LT Gain 3X 1000 shows positive momentum it invests in it. When these markets aren't experiencing positive momentum the strategy goes into Long Term Treasuries. This strategy uses Smart Leverage and goes into 3X S&P 500 after an outsized drawdown in the markets and will hold that position for up to 1 full year at which time it would go back into the Russell 1000 with positive momentum.

## Strategy Components

VTI Total US Market → Smart Leverage: UPRO 3X S&P 500

TLT Long Term Treasuries, or VGSH with Treasury Duration Limiter

Metric	2000+	1980+
Beta	0.65	0.82
Alpha	14.91%	20.69%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
LT Gain 3X	-7.34%	22.86%	37.69%	25.67%	18.62%	25.39%	24.75%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown single largest drawdown.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
LT Gain 3X	-7.34%	-7.34%	-19.70%	-19.70%	-19.70%	-19.70%	-23.41%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

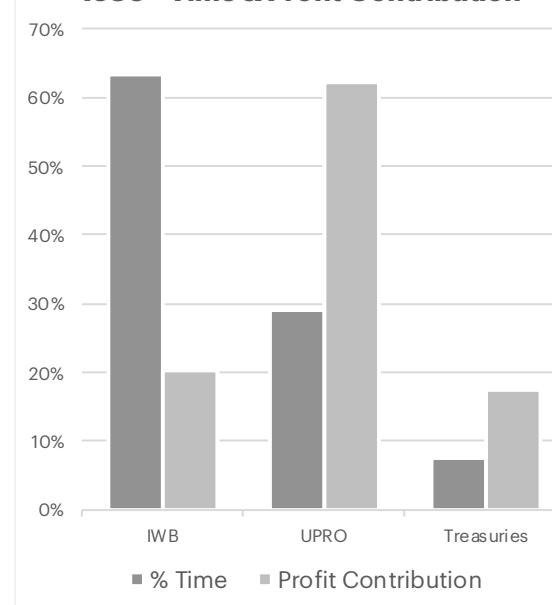
## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
LT Gain 3X	5.52	3.34	5.38	4.93	4.62	4.69	5.60
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

## Sortino Ratio, risk adjusted performance measure - bigger number is better.

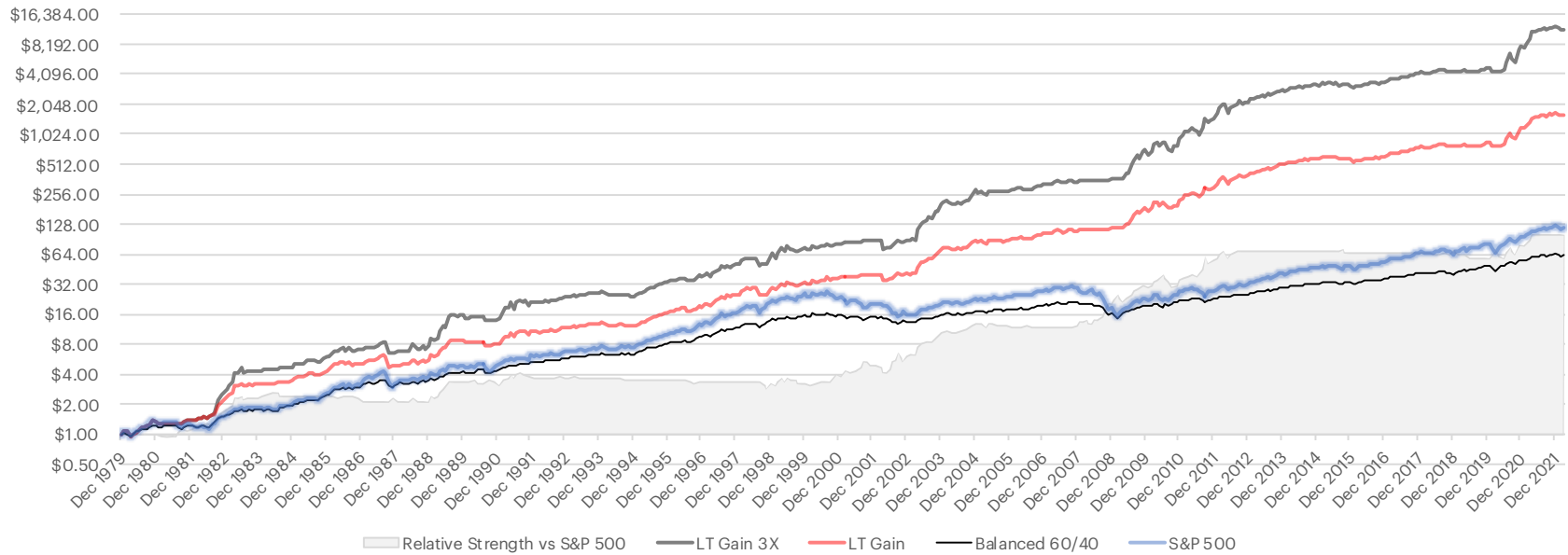
Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
LT Gain 3X	(2.87)	1.34	2.04	1.42	0.82	2.47	2.35
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20

## 1980+ Time & Profit Contribution

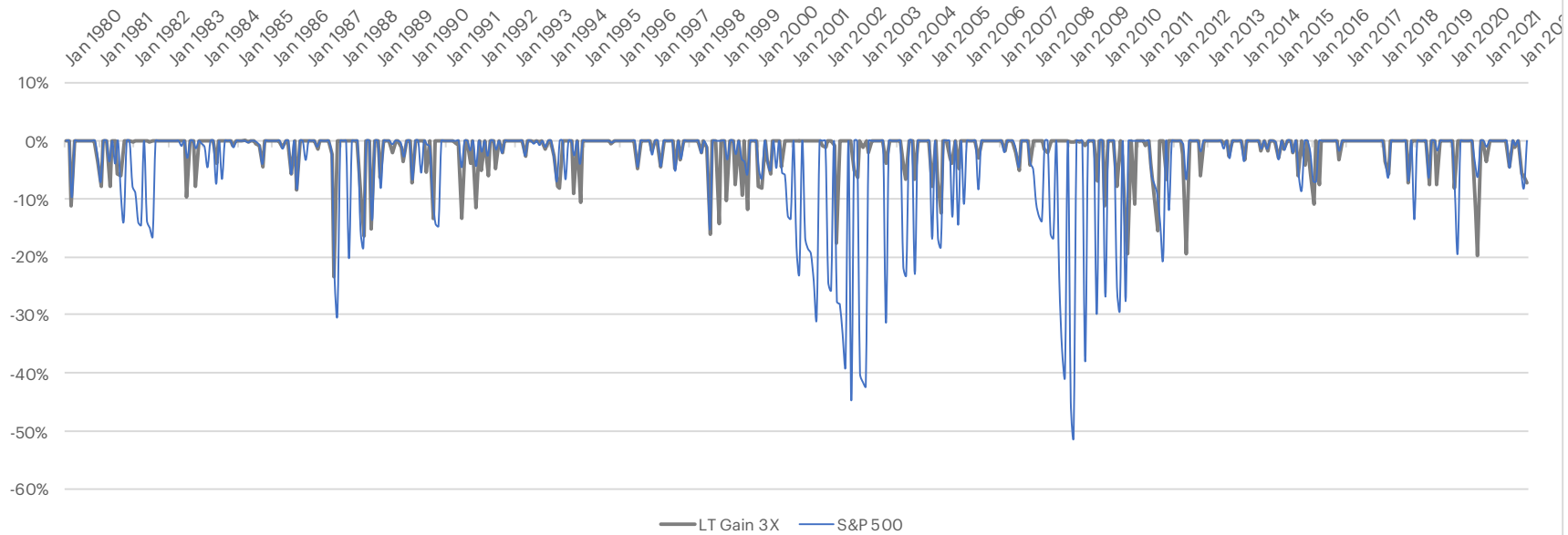


LT Gain 3 inception date January 2022.

LT Gain 3X vs LT Gain 2X vs Benchmarks | 1980+ Equity Chart | logarithmic scale chart



LT Gain 3X vs S&P 500 Drawdown | 1980+



LT Gain 3 inception date January 2022.

**DUAL  
MOMENTUM  
SYSTEMS**

## **Model Portfolios**

# Dual Momentum Strategies: Model Retire Portfolio

Combination of Strategies

Results through 03/31/2022

## Investment selection for April 2022:

Look at individual strategies for selections

## Tax friendliness:

Undetermined

## Months between change of holdings

Undetermined, look at the individual strategies for a better idea.

## Portfolio size appropriateness:

Undetermined, look at the individual strategies for a better idea.

## Characteristics:

Drawdowns: Far less than a Balanced 60/40 portfolio.

Volatility: Far less overall downside volatility over the long term.

Returns: Significantly higher returns than a 60/40.

## Strategy Description:

This Model Retire Portfolio is based on the allocation below. It has an average leverage of 107% and a maximum leverage of 140%. The goal of this strategy is a balance of: 1) Near market returns 2) with a very low long term Ulcer Index and 3) low Max DD and 4) low average and modestly low maximum leverage.

Metric	2000+	1980+
Beta	0.32	0.43
Alpha	10.03%	8.46%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Retire	-4.34%	3.30%	15.09%	10.82%	9.29%	12.35%	13.59%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown single largest drawdown.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Retire	-4.34%	-5.64%	-7.03%	-7.03%	-7.59%	-9.07%	-15.38%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Retire	3.40	2.87	2.66	2.61	2.48	2.58	3.14
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

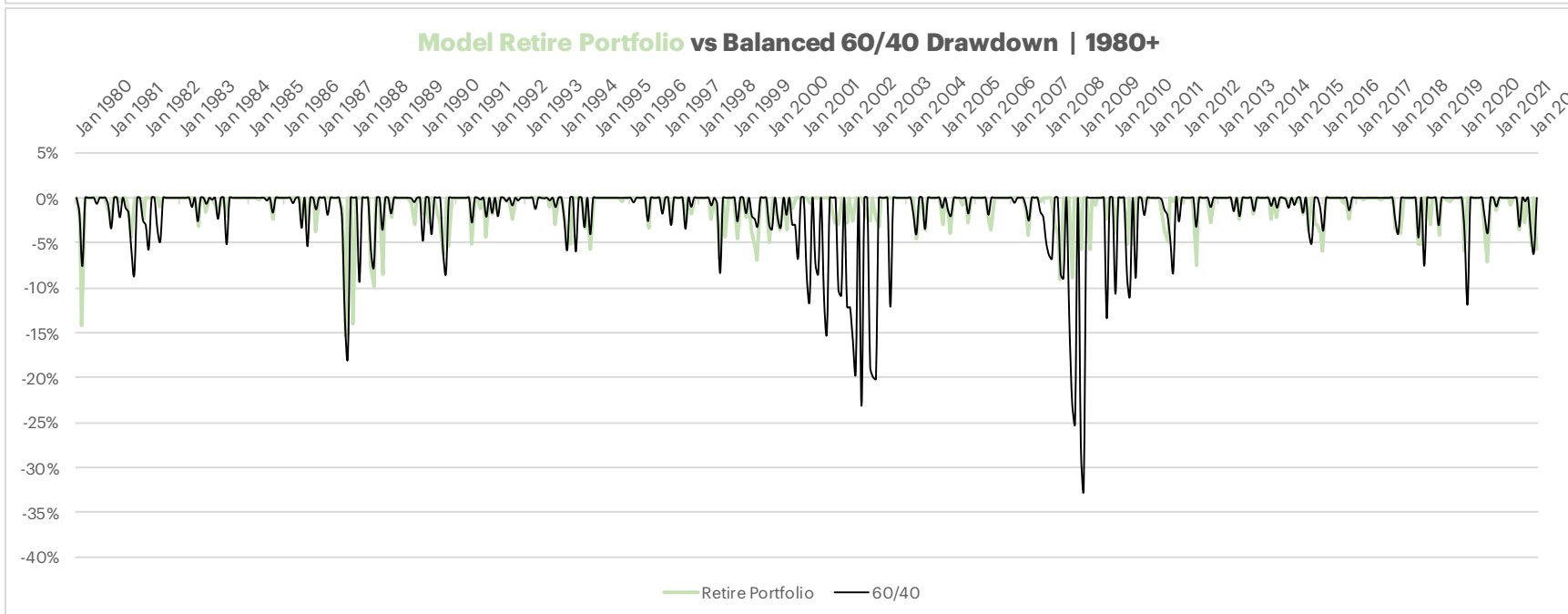
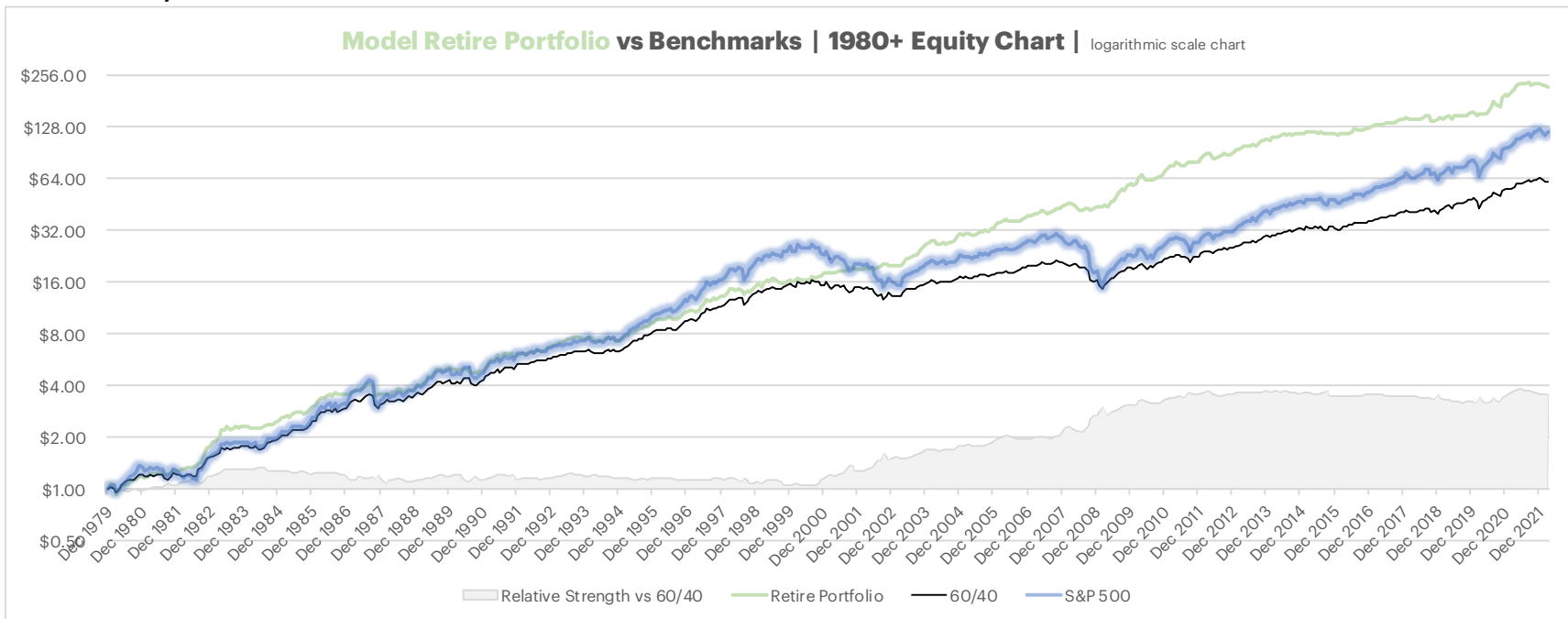
## Sortino Ratio, risk adjusted performance measure - bigger number is better.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Retire	(2.68)	(0.89)	0.61	0.09	(0.15)	2.48	2.41
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20

Allocation		Max Leverage
0.00%	Triad	100%
90.00%	Triad+	134%
0.00%	The Russell	100%
10.00%	Global Navigator	200%
0.00%	LT Gain	200%
0.00%	LT Gain 3X	300%
0.00%	MAX PAIN	300%
100.00%	TOTAL	140%

This is a combination DMS strategies, annually rebalanced.

Dual Momentum Systems: **Model Retire Portfolio**



This is a combination DMS strategies, annually rebalanced.

# Dual Momentum Strategies: Model Moderate Portfolio

Combination of Strategies

Results through 03/31/2022

## Investment selection for April 2022:

Look at individual strategies for selections

## Tax friendliness:

Undetermined

## Months between change of holdings

Undetermined, look at the individual strategies for a better idea.

## Portfolio size appropriateness:

Undetermined, look at the individual strategies for a better idea.

## Characteristics:

Drawdowns: Noticeably lower Max DD compared to S&P 500.

Volatility: More volatile than a 60/40 recently, much less over the long term.

Returns: Similar returns to S&P 500 over the past 1 to 10 years, and superior returns over the long run.

## Strategy Description:

This Model Moderate Portfolio based on the allocation below, has an average leverage of 109% and a maximum leverage of 168%. This strategy has an allocation for somebody who is willing to use modest leverage at times when the odds are in our favor, somebody who is looking for growth, but doesn't want S&P type MaxDD.

Metric	2000+	1980+
Beta	0.38	0.50
Alpha	12.11%	9.85%

## Annualized Returns actual YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Moderate	-5.04%	6.75%	18.81%	13.40%	10.94%	14.85%	15.82%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown single largest drawdown.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Moderate	-5.04%	-5.04%	-9.69%	-9.69%	-10.09%	-10.09%	-16.65%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

## Ulcer Index the higher the number the more painful downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Moderate	3.89	2.48	2.98	2.90	2.81	2.65	3.38
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

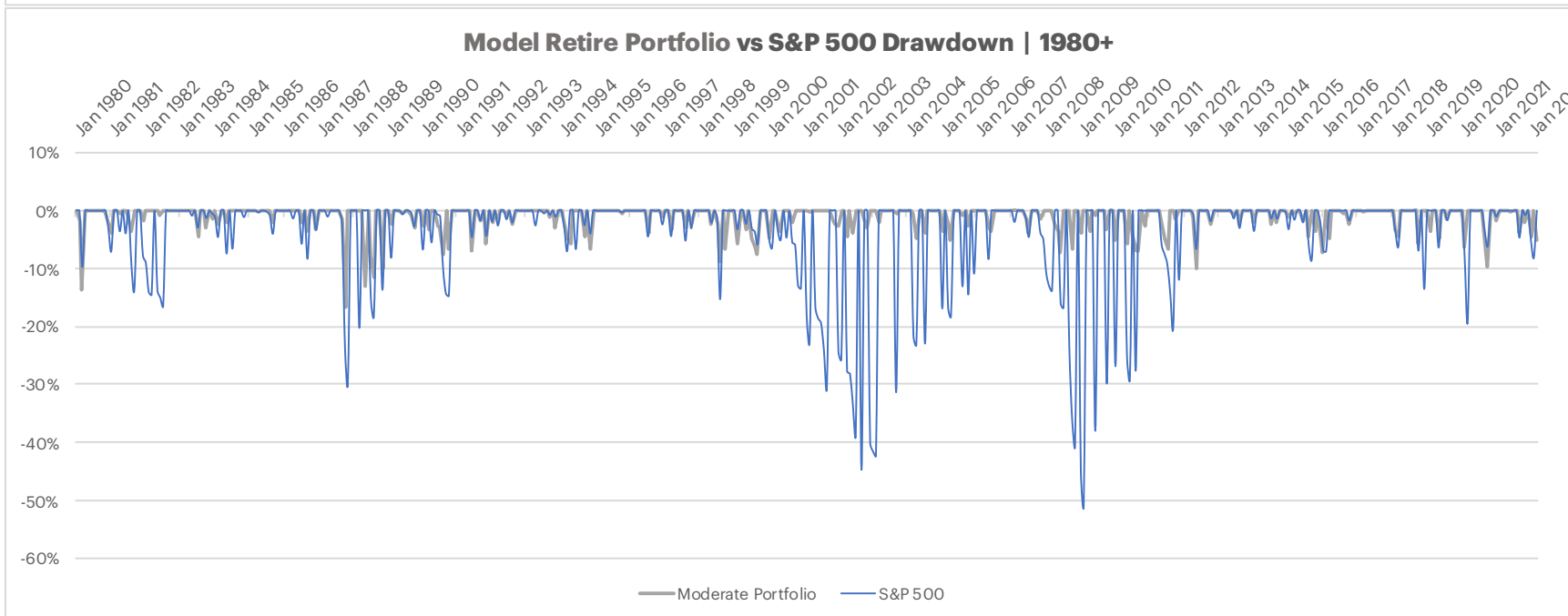
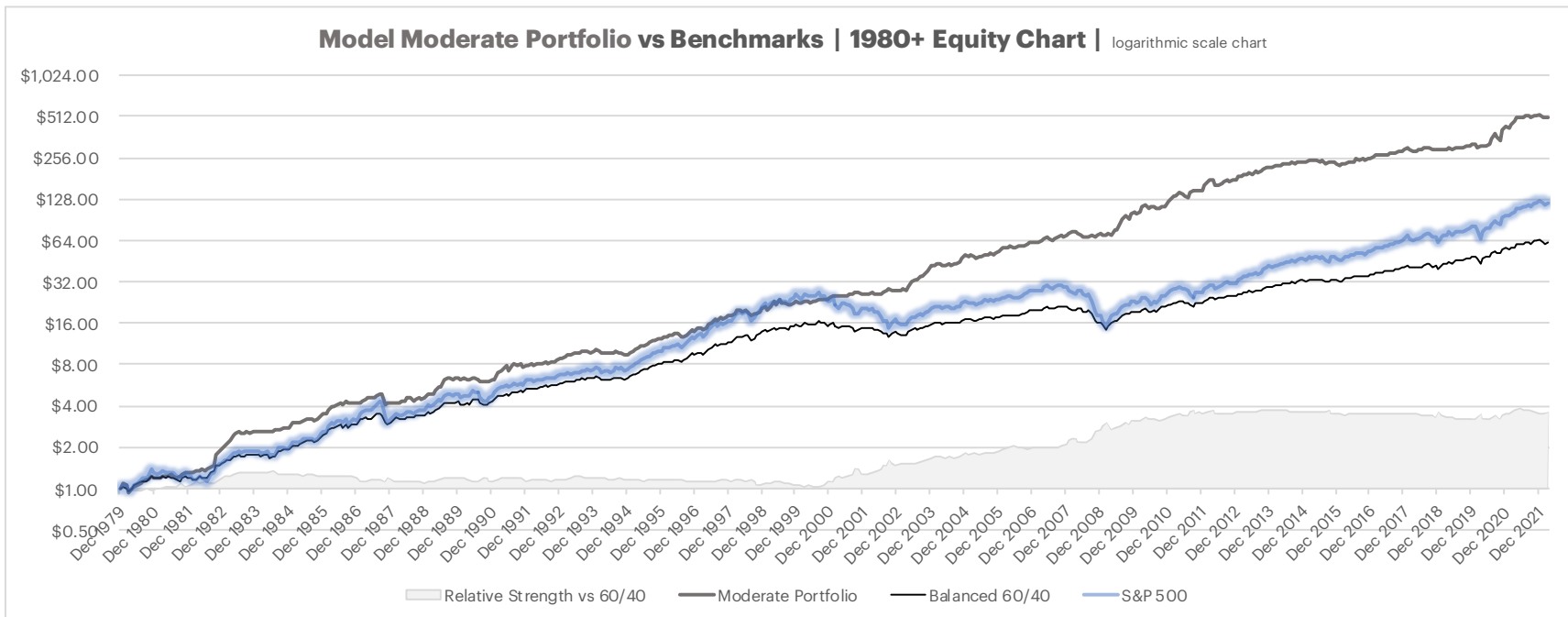
## Sortino Ratio, risk adjusted performance measure - bigger number is better.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Moderate	(2.73)	(0.41)	0.96	0.42	0.10	2.62	2.49
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20

Allocation		Max Leverage
0.00%	Triad	100%
70.00%	Triad+	133%
0.00%	The Russell	100%
15.00%	Global Navigator	200%
0.00%	LT Gain	200%
15.00%	LT Gain 3X	300%
0.00%	MAX PAIN	300%
100.00%	TOTAL	168%

This is a combination DMS strategies, annually rebalanced.

**Dual Momentum Systems: Model Moderate Portfolio**



This is a combination DMS strategies, annually rebalanced.



# Dual Momentum Strategies: Model Aggressive Portfolio

Combination of Strategies

Results through 03/31/2022

## Investment selection for April 2022:

Look at individual strategies for selections

## Tax friendliness:

Undetermined

## Months between change of holdings

Undetermined, look at the individual strategies for a better idea.

## Portfolio size appropriateness:

Undetermined, look at the individual strategies for a better idea.

## Characteristics:

Drawdowns: Far less Max DD than the S&P 500.

Volatility: Slightly higher downside volatility than the S&P over the past 10 years, far lower over the long run.

Returns: Similar returns to the S&P over the past 10 years, significantly higher over the long run.

## Strategy Description:

This Model Aggressive Portfolio based on the allocation below, has an average leverage of 113% and a maximum leverage of 215%. This strategy is for a person without risk aversion, who is happy to sit through volatility and drawdowns in exchange for long term growth.

Metric	2000+	1980+
Beta	0.46	0.60
Alpha	15.26%	12.16%

## Annualized Returns<sup>actual</sup> YTD for current year.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Aggressive	-6.48%	11.47%	23.85%	17.11%	13.31%	18.59%	19.37%
Balanced 60/40	-9.40%	7.44%	12.13%	10.56%	9.71%	6.34%	10.22%
S&P 500	-4.61%	15.49%	18.90%	15.91%	14.54%	7.14%	11.95%

## Maximum Drawdown<sup>single largest</sup> drawdown.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Aggressive	-6.48%	-6.48%	-13.75%	-13.75%	-13.78%	-13.78%	-18.33%
Balanced 60/40	-6.12%	-6.12%	-11.86%	-11.86%	-11.86%	-32.33%	-32.33%
S&P 500	-8.06%	-8.06%	-19.43%	-19.43%	-19.43%	-50.79%	-50.79%

## Ulcer Index<sup>the higher the number the more painful</sup> downside volatility. Considers all downside not just maximum.

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Aggressive	4.92	3.00	4.10	3.89	3.82	3.25	4.07
Balanced 60/40	4.44	2.62	2.84	2.68	2.10	7.59	5.91
S&P 500	5.34	3.24	4.62	4.46	3.56	16.71	12.87

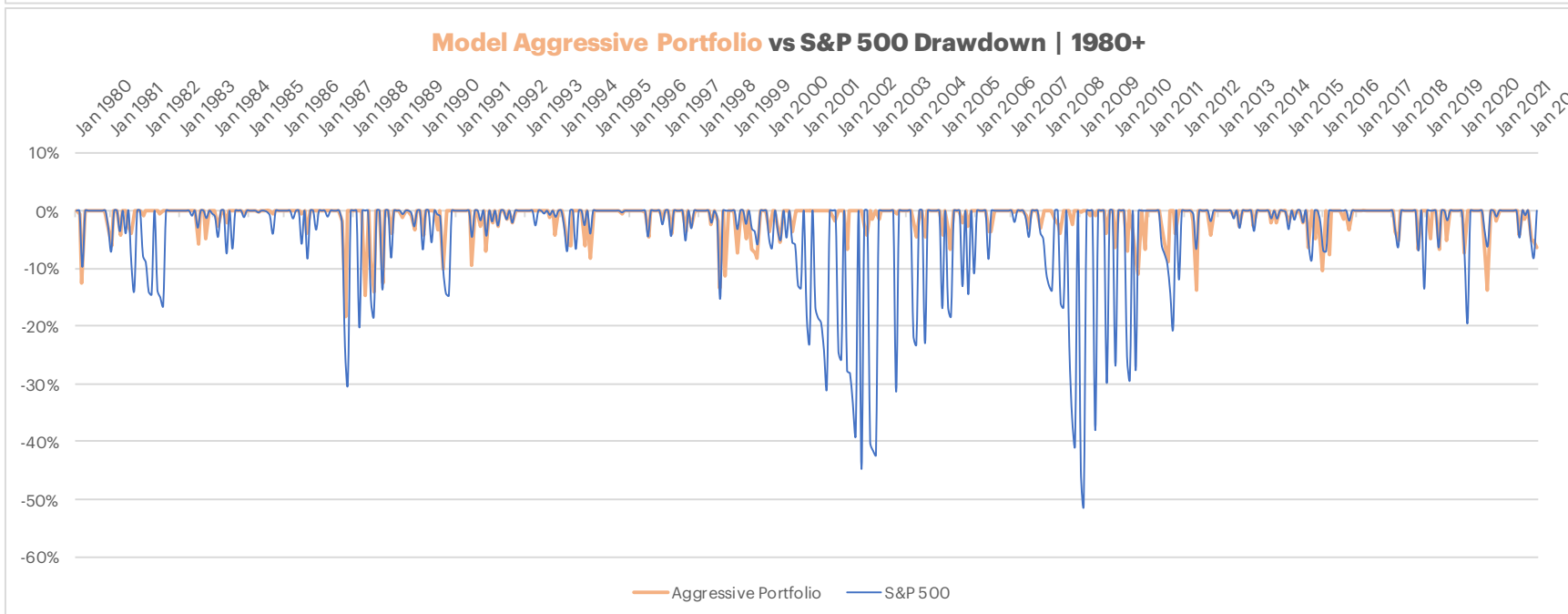
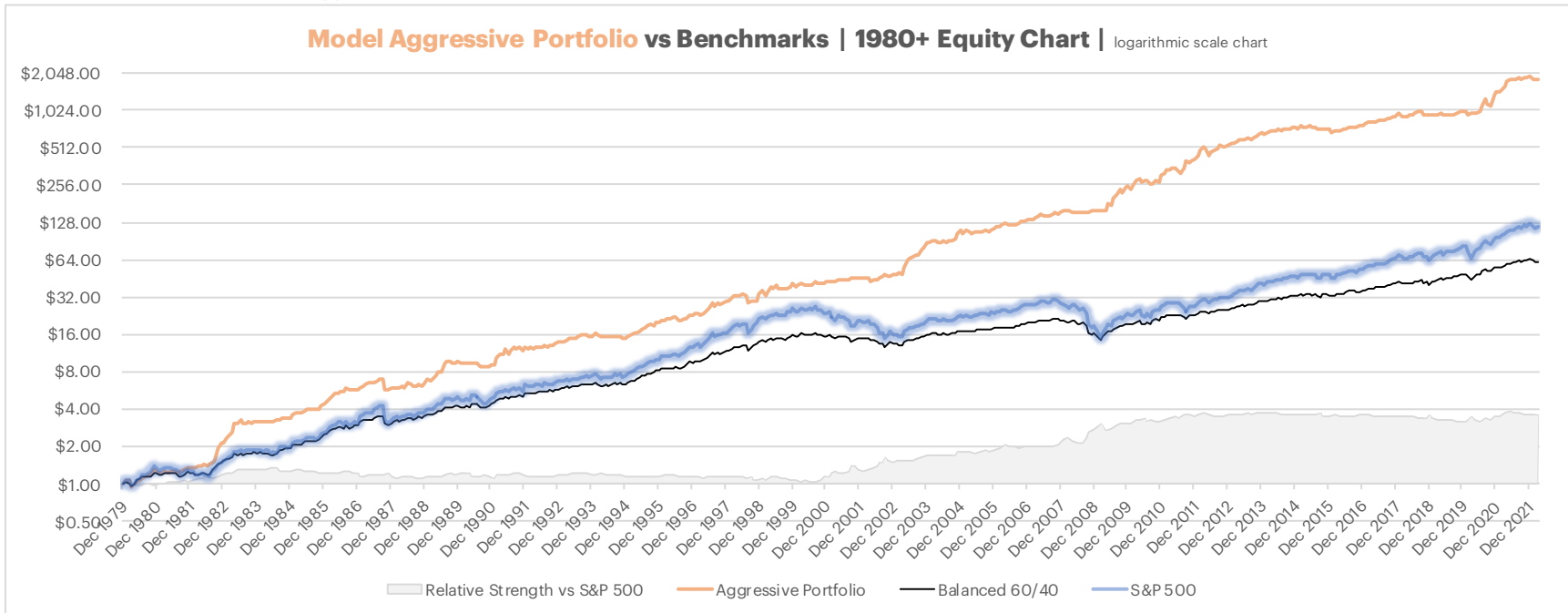
## Sortino Ratio<sup>risk adjusted performance measure - bigger number is better.</sup>

Investment	YTD	1 Year	3 Year	5 Year	10 Year	2000+	1980+
Model Aggressive	(2.81)	0.18	1.29	0.78	0.38	2.61	2.50
Balanced 60/40	(2.66)	(0.38)	0.23	0.04	(0.10)	0.95	1.63
S&P 500	(1.95)	0.55	0.72	0.52	0.46	0.70	1.20

Allocation		Max Leverage
0.00%	Triad	100%
30.00%	Triad+	133%
0.00%	The Russell	100%
35.00%	Global Navigator	200%
0.00%	LT Gain	200%
35.00%	LT Gain 3X	300%
0.00%	MAX PAIN	300%
100.00%	TOTAL	215%

This is a combination DMS strategies, annually rebalanced.

Dual Momentum Systems: **Model Aggressive Portfolio**



This is a combination DMS strategies, annually rebalanced.

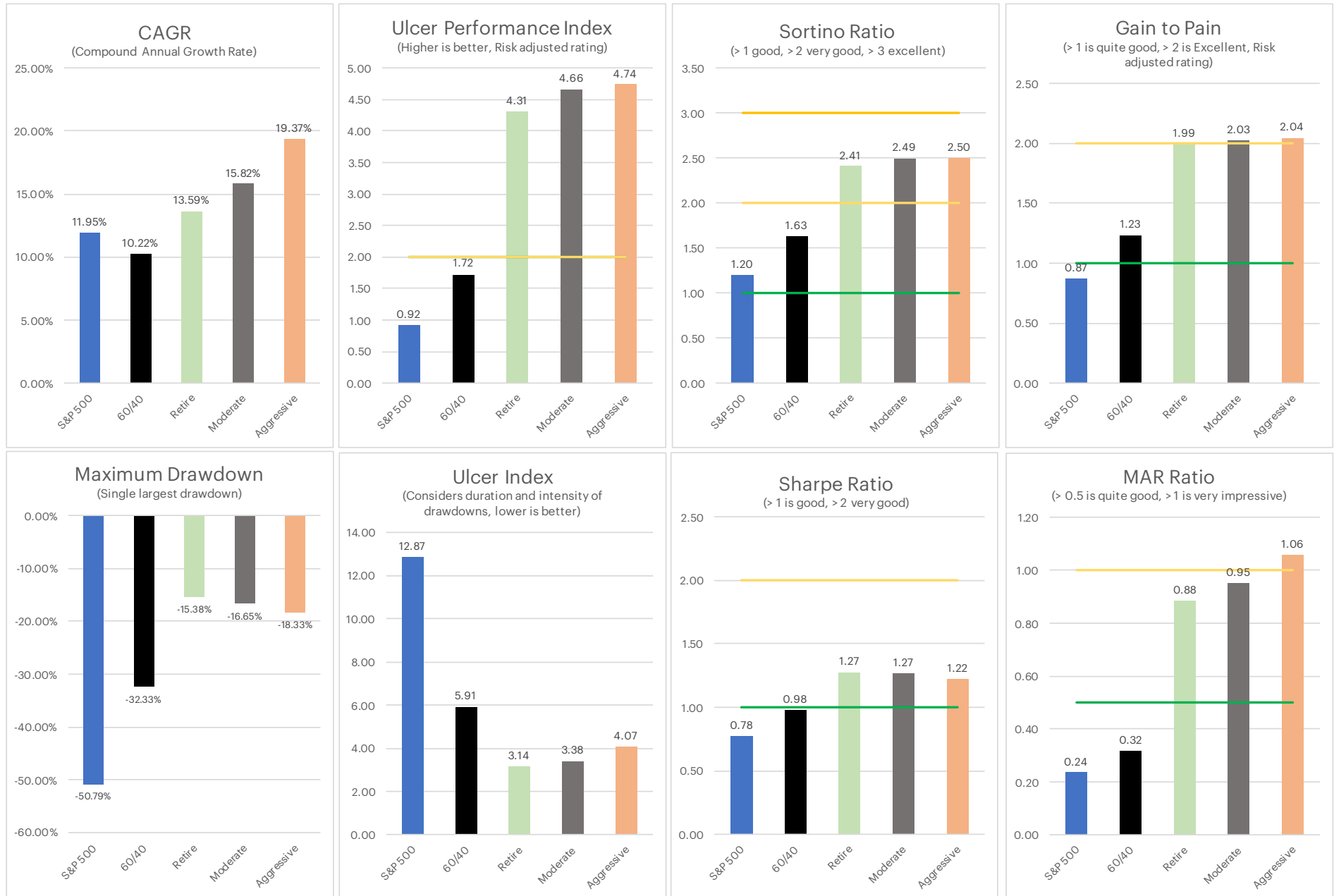
# Model Portfolios

1980 through March 31, 2022

## Annual returns:

Year End	Benchmarks			Model Portfolios		
	US Market S&P 500	Balanced 60/40	Nasdaq 100 QQQ	Retire	Moderate	Aggressive
1980	32.49%	21.02%	33.38%	17.40%	19.93%	24.39%
1981	-4.90%	0.07%	-0.63%	7.69%	7.35%	6.77%
1982	21.55%	25.68%	18.20%	41.27%	49.16%	62.27%
1983	22.55%	16.21%	19.58%	28.65%	35.43%	46.11%
1984	6.25%	9.84%	-13.19%	7.03%	7.31%	7.81%
1985	31.23%	27.65%	32.38%	22.74%	24.58%	29.25%
1986	18.05%	17.65%	10.83%	16.69%	20.20%	31.97%
1987	4.68%	4.81%	-11.38%	0.04%	-0.24%	0.52%
1988	16.22%	12.64%	19.47%	8.16%	8.56%	7.91%
1989	31.38%	24.20%	19.49%	32.36%	42.54%	53.84%
1990	-3.32%	1.56%	-17.55%	-3.40%	-4.82%	-7.34%
1991	30.22%	24.30%	46.97%	24.66%	29.74%	38.55%
1992	7.40%	7.35%	21.54%	10.87%	10.81%	10.51%
1993	9.58%	9.66%	15.37%	11.88%	11.99%	12.87%
1994	0.38%	-0.77%	-3.66%	-3.54%	-3.91%	-3.91%
1995	38.05%	29.81%	42.46%	28.85%	30.69%	34.16%
1996	22.51%	14.70%	23.41%	13.42%	13.50%	13.51%
1997	33.49%	23.58%	21.27%	25.99%	27.38%	29.98%
1998	28.69%	21.01%	32.17%	14.54%	14.68%	14.04%
1999	20.39%	11.65%	80.58%	7.63%	11.83%	20.97%
2000	-9.74%	-1.49%	-28.93%	8.96%	7.77%	3.82%
2001	-11.75%	-3.81%	-25.59%	5.22%	5.79%	6.94%
2002	-21.59%	-9.80%	-29.86%	5.92%	6.12%	8.22%
2003	28.16%	18.19%	41.08%	33.07%	49.74%	77.41%
2004	10.71%	8.00%	9.84%	15.57%	19.64%	25.83%
2005	4.83%	3.87%	4.49%	7.99%	6.60%	4.68%
2006	15.84%	10.95%	8.27%	15.99%	16.19%	17.41%
2007	5.14%	5.94%	9.44%	12.76%	12.52%	13.56%
2008	-36.81%	-21.86%	-42.67%	1.25%	2.46%	4.87%
2009	26.38%	18.66%	45.53%	36.62%	46.42%	60.31%
2010	15.06%	12.04%	18.51%	19.19%	19.86%	18.96%
2011	1.88%	4.38%	-1.14%	11.36%	19.70%	33.68%
2012	16.00%	11.39%	15.46%	12.64%	19.47%	32.04%
2013	32.31%	17.44%	35.69%	21.87%	23.53%	25.78%
2014	13.48%	10.56%	16.11%	7.84%	8.73%	10.14%
2015	1.26%	1.11%	6.50%	-1.99%	-2.47%	-4.00%
2016	12.00%	8.34%	7.39%	9.87%	9.63%	9.16%
2017	21.71%	14.26%	27.28%	11.63%	13.68%	17.55%
2018	-4.56%	-2.47%	-1.10%	0.46%	1.17%	2.58%
2019	31.23%	21.98%	28.83%	9.46%	9.13%	8.11%
2020	18.39%	14.93%	43.75%	25.94%	33.01%	44.30%
2021	28.76%	15.74%	27.41%	16.98%	23.03%	31.52%
2022	-4.61%	-9.40%	-8.77%	-4.34%	-5.04%	-6.48%
+/- S&P YTD:	0.0%	-4.8%	-4.2%	0.3%	-0.4%	-1.9%
CAGR	12.0%	10.2%	11.5%	13.6%	15.8%	19.4%

## "Long Term" Metrics Comparisons: Model Portfolios vs S&P 500 & 60/40 1980 to current



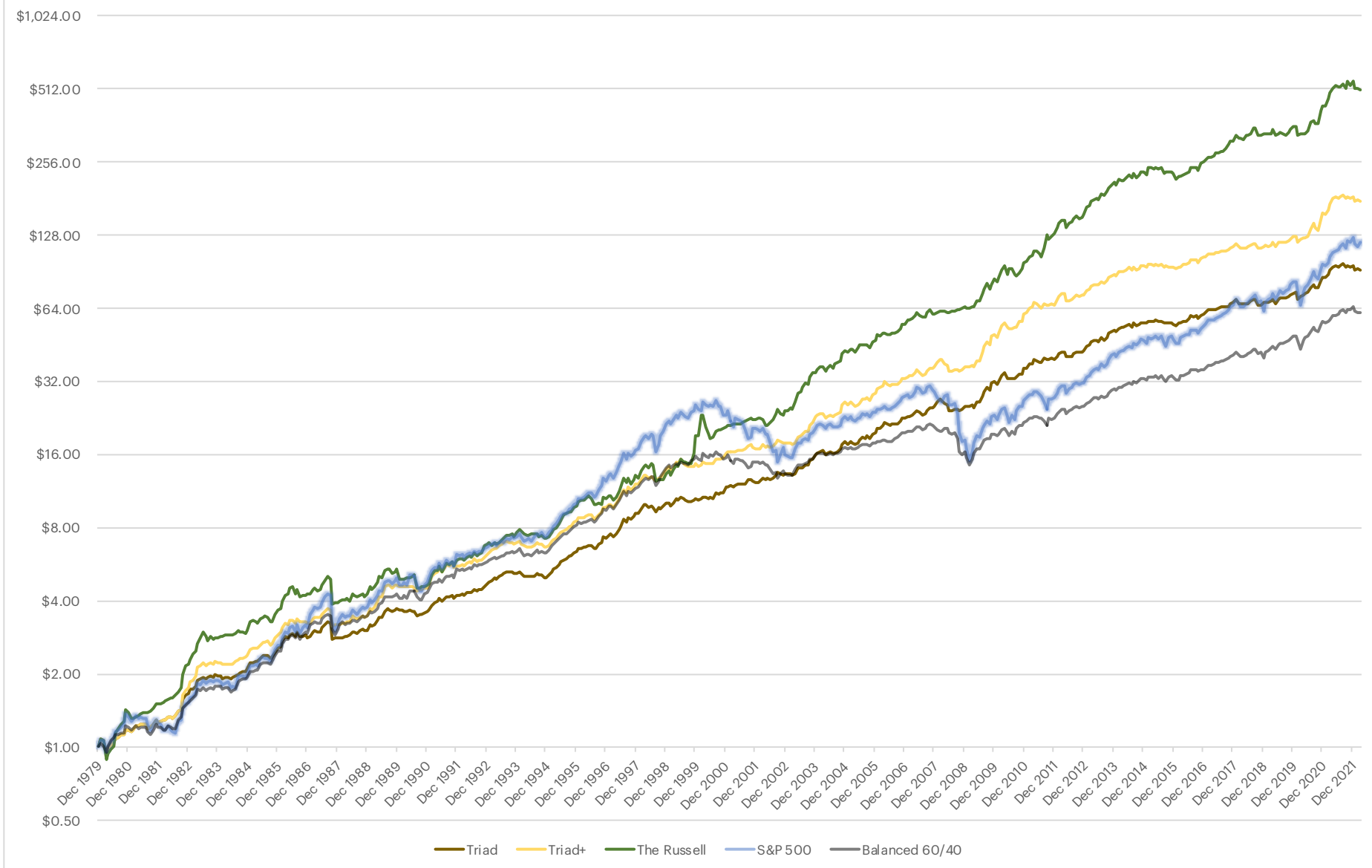
All Metrics are calculated from Monthly returns

**DUAL  
MOMENTUM  
SYSTEMS**

## **Equity Charts**

### Triad vs Triad+ vs The Russell OG vs Benchmarks 1980+ Equity Chart for Strategies with No or Low Leverage

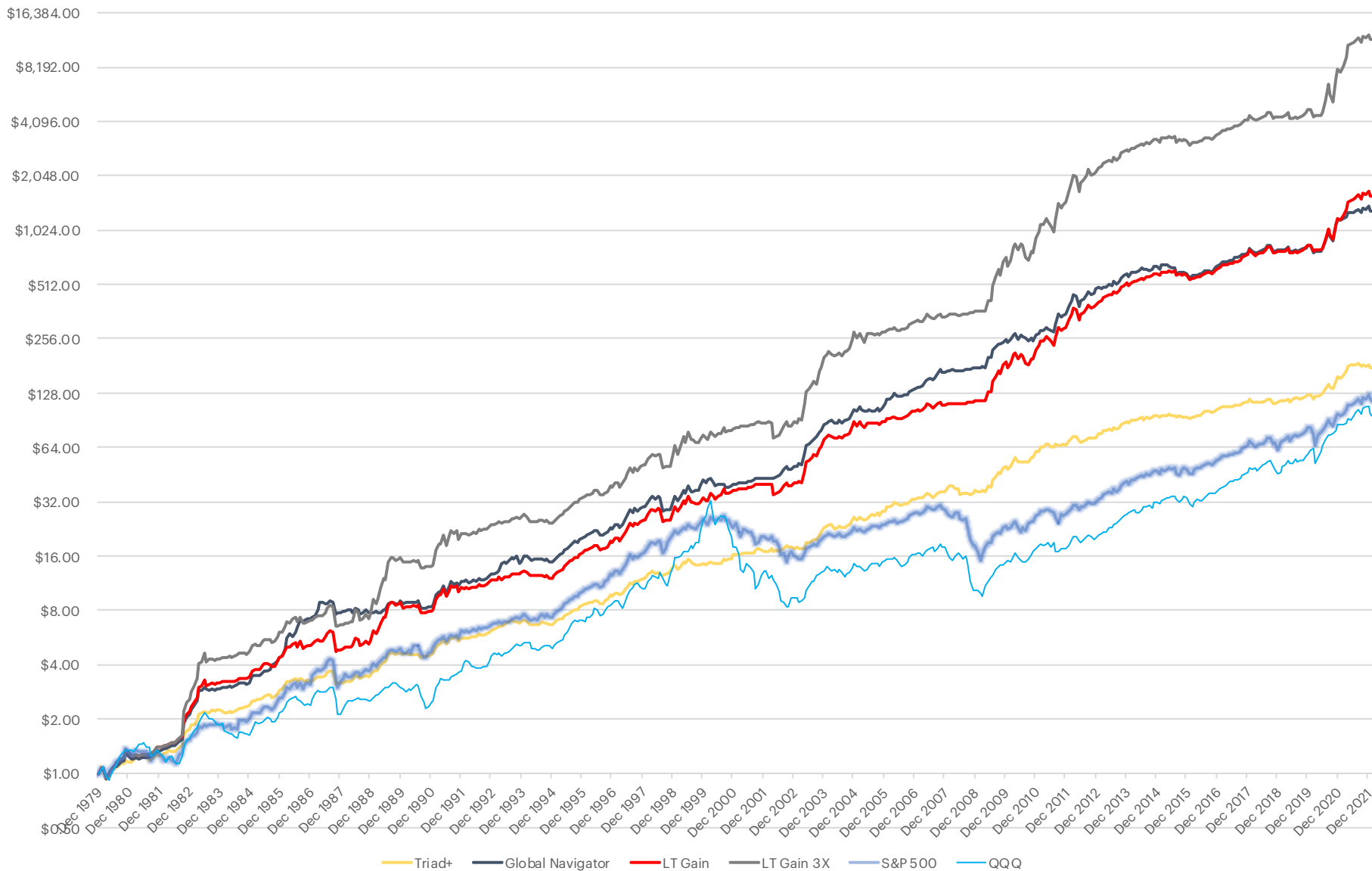
logarithmic scale chart



\* Limited use of Leverage with Triad, but showing it with the other unleveraged strategies because it is still very conservative and belongs with this group.

### Triad+ vs Global Navigator vs LT Gain 2X vs LT Gain 3X vs Benchmarks 1980+ Equity Chart for Strategies which use leverage

logarithmic scale chart



## Metrics, Annual Returns and Correlations

**CAGR:** Compound Annual Growth Rate, on average how much the strategy has returned per year

**Ulcer Performance Index:** A risk adjusted performance ratio which uses the Ulcer Index in it's calculations

**Sortino Ratio:** A risk adjusted performance ratio commonly used

**Gain to Pain:** Used by the famous Jack Schwager, simply the total net gain divided by net loses along the way

**Maximum Drawdown:** The largest negative drawdown for the strategy, on a month end basis

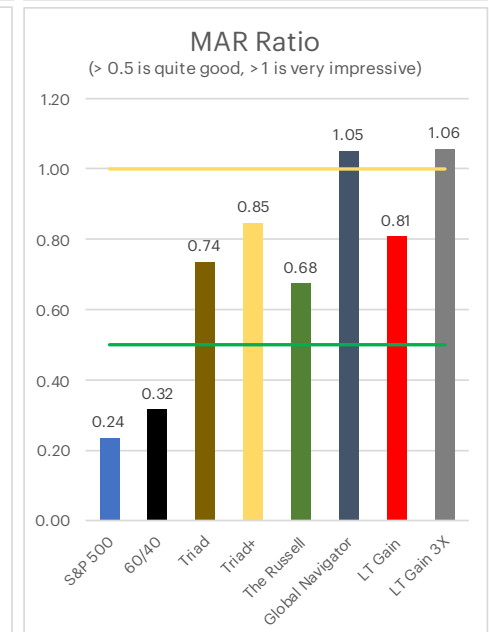
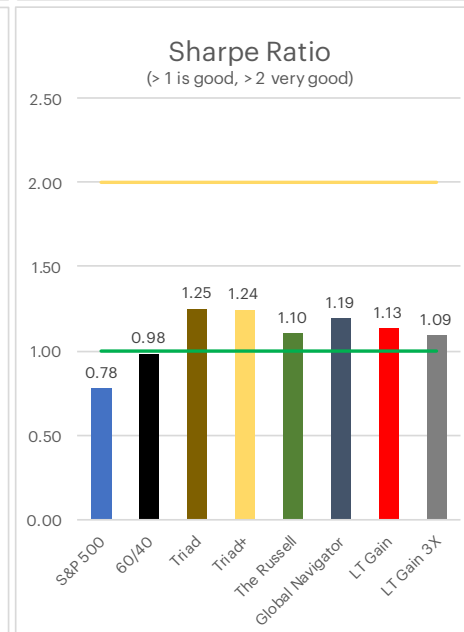
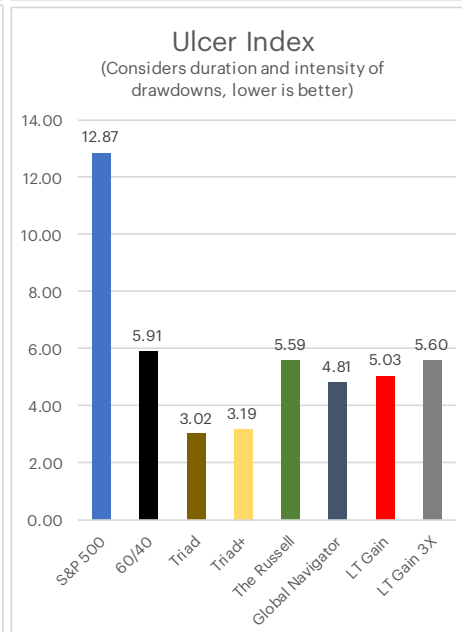
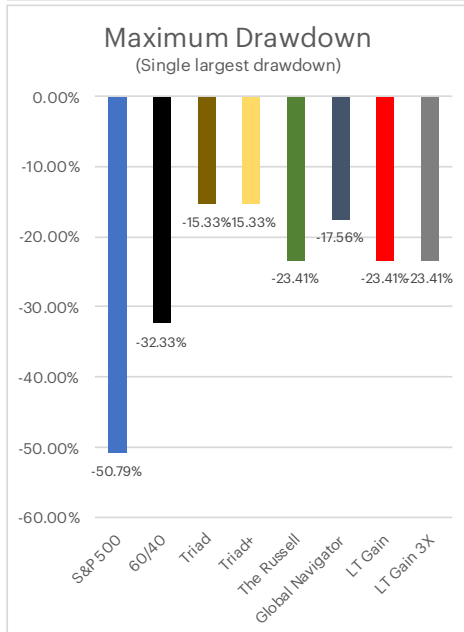
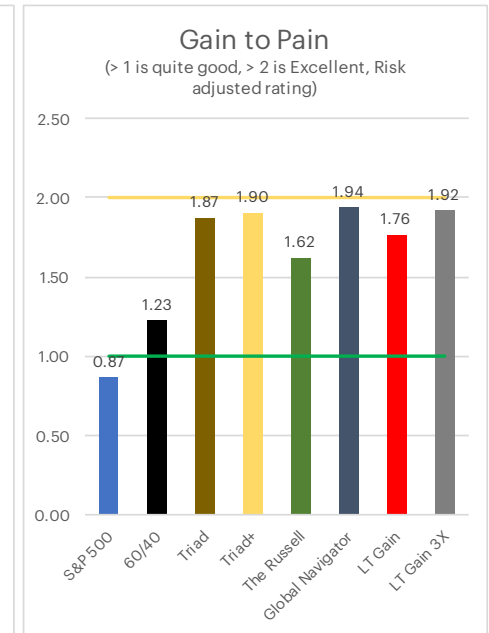
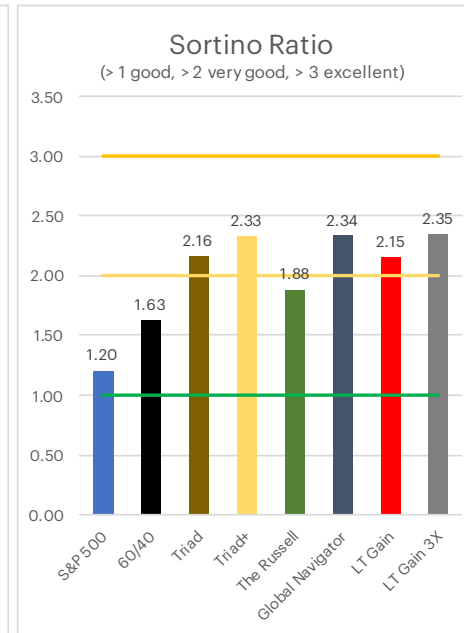
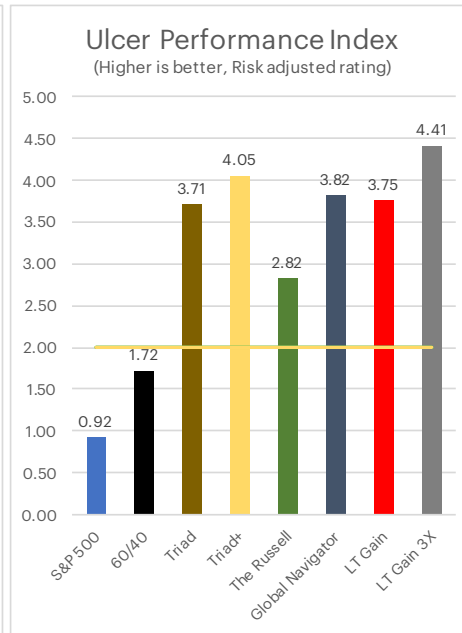
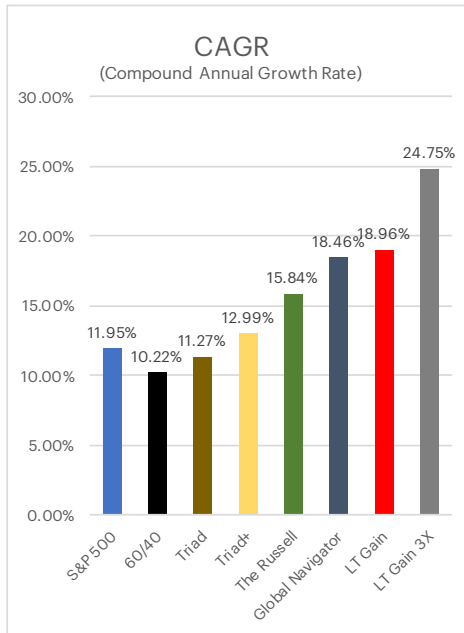
**Ulcer Index:** Measures how bad drawdowns are for an investment, not related to gains, just drawdowns

**Sharpe Ratio:** A commonly used risk adjusted performance measure, however, it penalizes for upside volatility

**MAR Ratio:** A risk adjusted performance ratio, uses maximum drawdown in it's calculations

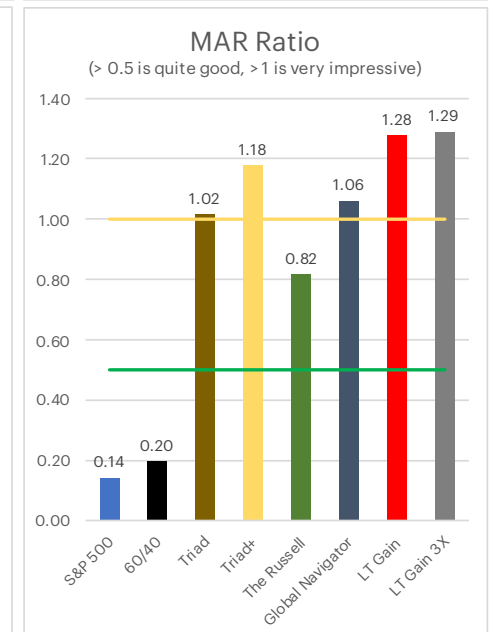
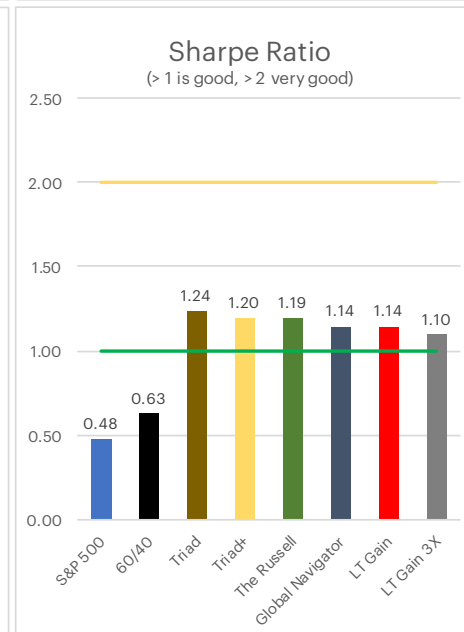
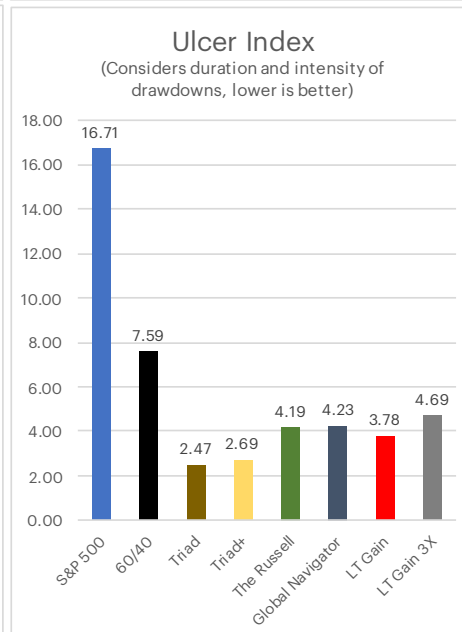
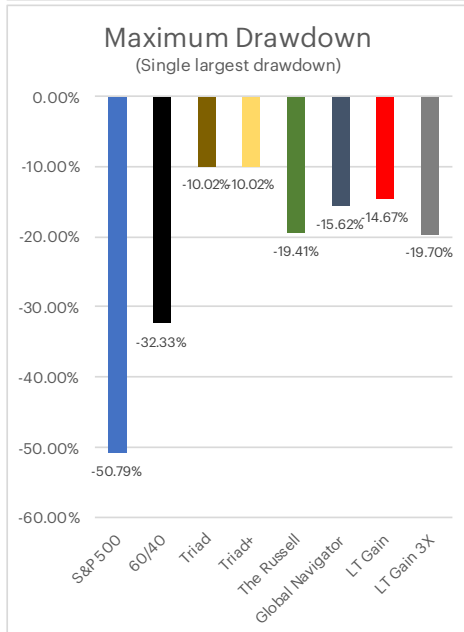
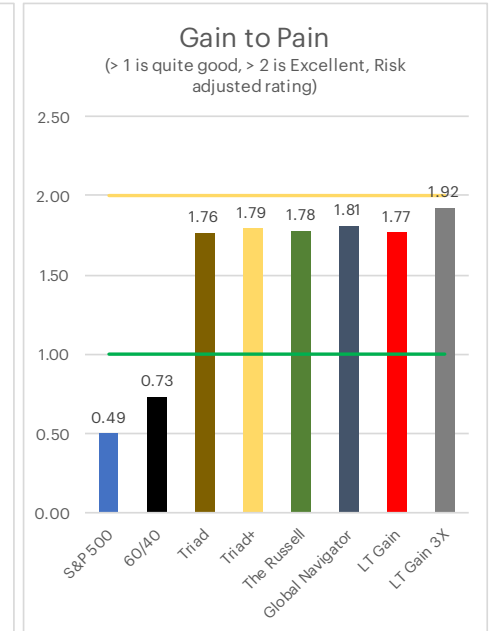
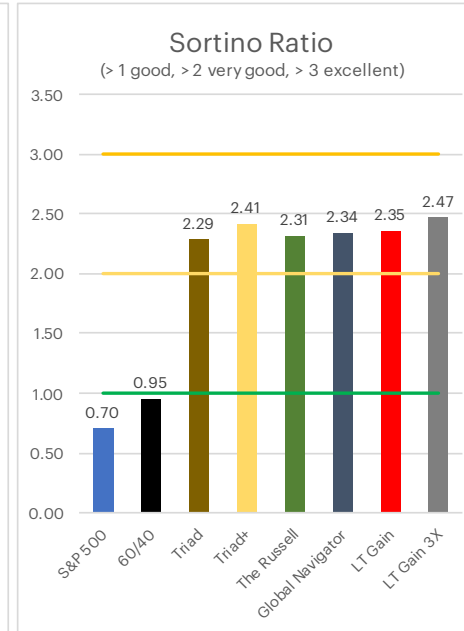
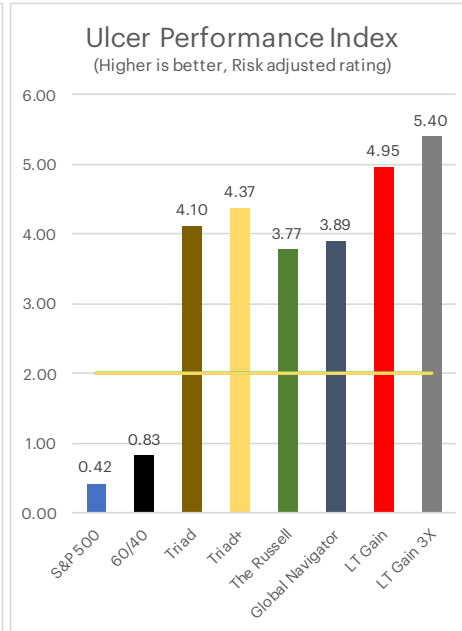
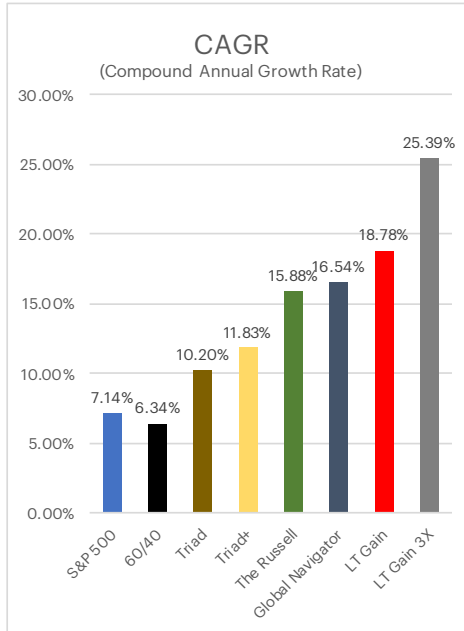


## "Long Term" Metrics Comparisons: Strategies vs S&P 500 & 60/40 1980 to current



All Metrics are calculated from Monthly returns

## "Modern Era" Metrics Comparisons: Strategies vs S&P 500 & 60/40 2000 to current



All Metrics are calculated from Monthly returns

### 36 Month Strategy Return Correlations

←Conservative

Aggressive →

	S&P 500	Balanced 60/40	QQQ	Triad	Triad+	The Russell	Global Navigator	LT Gain	LT Gain 3X
S&P 500	1.00								
Balanced 60/40	0.99	1.00							
QQQ	0.73	0.75	1.00						
Triad	0.69	0.66	0.30	1.00					
Triad+	0.68	0.66	0.30	0.97	1.00				
The Russell	0.66	0.63	0.35	0.92	0.92	1.00			
Global Navigator	0.66	0.65	0.36	0.85	0.85	0.85	1.00		
LT Gain	0.68	0.66	0.38	0.88	0.88	0.88	0.96	1.00	
LT Gain 3X	0.64	0.62	0.34	0.84	0.84	0.83	0.95	0.99	1.00

# DUAL MOMENTUM SYSTEMS

Thank you for your time, my hope is that these strategies may help you grow your investments more than a market index fund, with less drawdowns along the way.

Countless hours of thought, development, and modeling have gone into these strategies which were inspired from the work of Gary Antonacci at [www.OptimalMomentum.com](http://www.OptimalMomentum.com). I have entrusted my invested net worth into these strategies, I am not looking to gain from anybody else who chooses to use them, I simply want to share what I think are fantastic ways to invest money for the long run. Receive the strategy information free by emailing me and getting on the distribution list, your information is kept private.

A handwritten signature in black ink, appearing to read "Randy".

[randy@dualmomentumsystems.com](mailto:randy@dualmomentumsystems.com)

# **DUAL MOMENTUM SYSTEMS**

## **Appendix:**

### **How to invest in Dual Momentum**

**and**

### **How it works**

# How would a person invest in these Strategies?



- At the end of the month notice of which investments the strategies should be invested in for the next month are distributed. You can make any necessary trades the first day or two of the month. This is a free service, these models are run for my own investment portfolio, I like to share with interested people who want more than a buy and hold strategy.



- Determine your allocation, you'll need to decide if you want to go with Global Navigator, The Russell, or some combination of both. In the reporting you'll see a "30/70 Model Portfolio", that is because this is what I do personally: 30% Global Navigator and 70% The Russell.



- Place your trade at your brokerage company so that you are in the investment that the ETF which the strategy indicates for the next month. There is no need to scale in when you start the strategies, every month is a new investment decision to be fully in equities or in Treasuries. You only need to make sure that you are holding the investment for the month that the models tell you to hold.

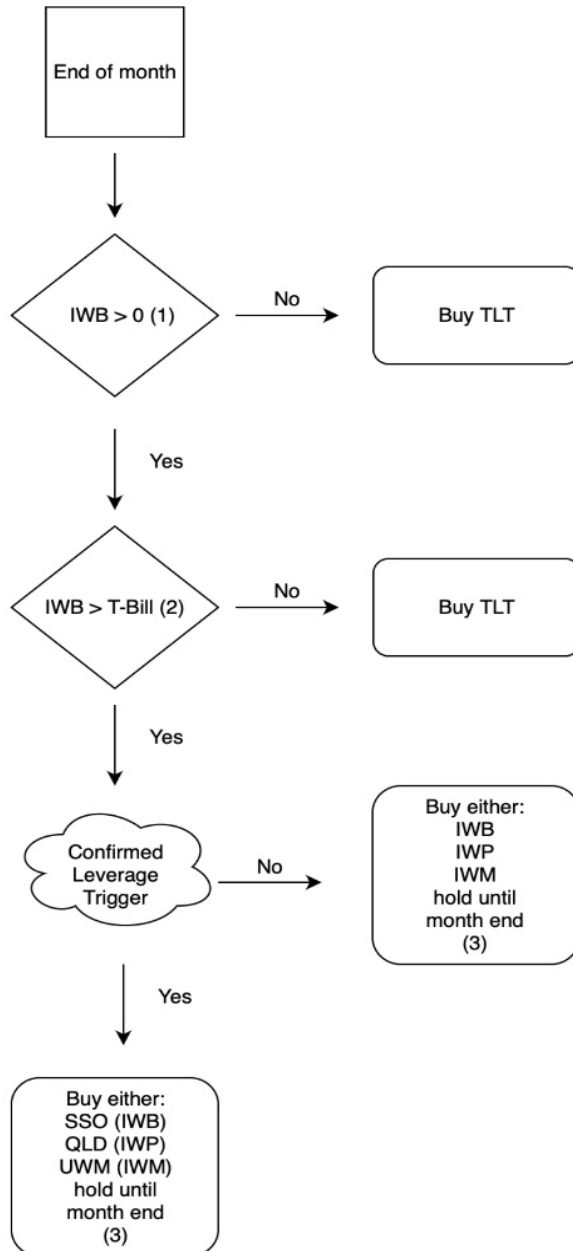


- When the models are in Risk OFF mode they are out of equities and in Treasuries. When in Risk OFF mode the models set to go into UST which is a 2X Intermediate Treasuries ETF. For most of us, this is a great choice. If you are a whale investor then you should probably be considering going into either ZROZ or EDV instead for maximum gain prospects, a whale could instead buy VGLT if they want less volatility when are out of equities.



- These strategies move differently than a market index fund, and on any given day, week, month, or year could underperform the market index, however, this does not mean that the strategies are no longer working - they are best evaluated over a longer time period. Please look closely at the annual performance compared to the S&P on the Bar Chart, it shows very clearly on an annual basis how great these strategies perform to the market, but not every year. Also look closely at the Maximum Drawdown chart, yes, there are some big dips on the dual momentum strategies, but the drawdowns are both more shallow and fewer in number than the market.

# How do the strategies select where to invest?



This example to the left shows the decision process for **The Russell**.

**Decision 1)** When the month is over the full month results are used to calculate the weighted returns: 25% of the 1 month return plus 25% of the 3 month return plus 50% of the 6 month return. If the weighted return for the Russell 1000 is less than zero, then the strategy goes into Treasuries for the next month.

**Decision 2)** If the Russell 1000 weighted return was positive, check to see if the weighted return is greater than the 90 day T-Bill weighted return, if not the strategy goes into Treasuries for the next month.

**Decision 3 No)** If the Russell 1000 weighted return was higher than the 90 day T-Bill weighted return, do we have a confirmed Leverage Trigger (which can happen after an outsized drawdown in the Russell 1000), if not we invest in either the Russell 1000, Russell Mid-Cap Growth, or Russell 2000, the one of those three selected is the one with the highest relative strength determined by comparing their weighed returns.

**Decision 3 Yes)** If there was a confirmed Leverage Trigger, then we invest in SSO instead of Russell 1000, and QLD instead of Russell Mid-Cap Growth, and UWM instead of Russell 2000.

The investment is held until the end of the month, and the process is done again. On average, investments are held about 4 months before changing.

## Extended Data & Out of Sample

### Extended Data

The strategies use ETF monthly total return data. Leveraged ETF data is used as far back as it is available, it is simulated using the available daily return total data to extend the leverage returns back in time. At this time, only the leveraged S&P 500 from 1970 through 1979 had to be simulated on monthly data instead of daily, if that information becomes available to me it will be updated. This deck is reporting back to 1980 for all strategies, I do have Global Navigator and LT Gain 3 back to 1970 but as mentioned the extended data for the 1970's should based on daily returns.

The Nasdaq 100 benchmark data is based on Nasdaq 100 back to 1986, however, it didn't exist or data can't be found before that time, so the Nasdaq Composite is used pre-1986 as a proxy. I couldn't reliably emulate Nasdaq 100 from Nasdaq comp.

### In Sample, and Out of Sample

The strategies were created with available data from 2000 through the time each strategy was created. Because this data was available and used in the modeling of each strategy, it is considered "In Sample". "Out of Sample" is the periods that the strategy is looking at for which returns were not available when the strategies were created. 1980 through 2000, and from when the strategy was finalized forward is all out of sample.

Nothing was changed to any of the strategies after seeing the additional 20 years from 1980 through 2000, nor were any of the strategies changed or modified due to any returns which have resulted after the strategies were created. I use these strategies myself to invest my hard earned dollars in them, I don't want to fool anybody, most especially not myself by tweaking the strategies to handle some big incident better than it was originally designed to do, no data mining!