ACKERMAN CAPITAL MANAGEMENT

Quarterly Valuation & Trend Report

Quarter Ending

March 31, 2024

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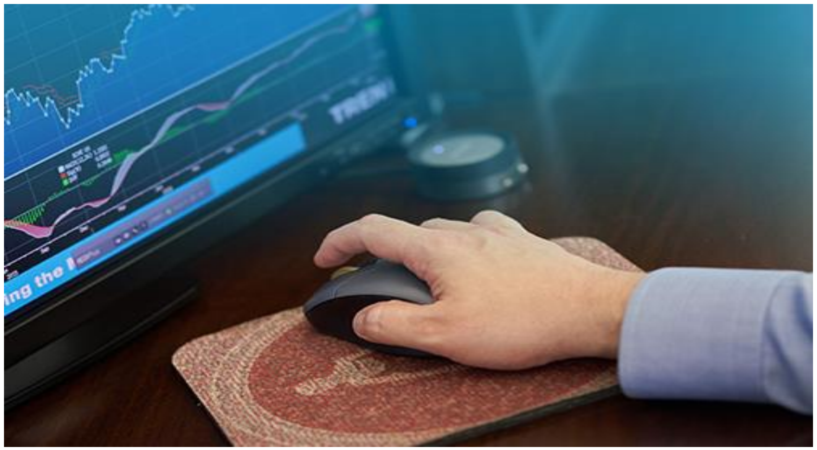
CHART EXPLANATION GUIDE

Color indicates overall attractiveness based on our proprietary combination of relative valuations and price trends.



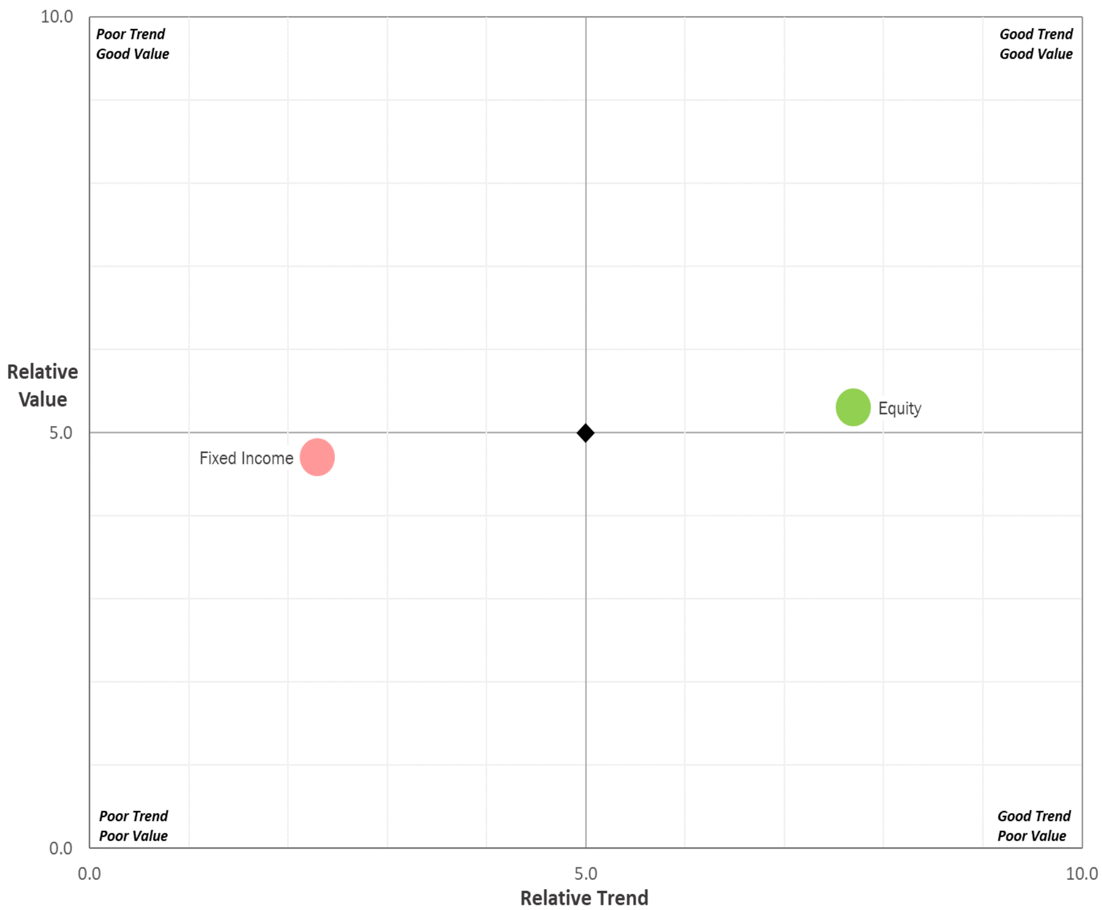
Ackerman Capital Management uses a combination of proprietary valuation and price metrics to dynamically adjust exposure among and within the two major asset classes. Both valuation and price trends are evaluated on a relative basis versus the asset class benchmark and are scaled from 0 to 10, with 10 being the highest score. In our portfolios, we emphasize funds which have attractive relative valuations and the strongest and most consistent relative price strength (top right quadrant) and de-emphasize funds with unattractive relative valuations and weak relative price trends (bottom left quadrant). Because investor sentiment can drive the price of risk assets to extremes, our equity model places greater weight on relative price trends than valuation. As such, we may overweight equity funds that are relatively expensive, but continue to display relative price strength (bottom right quadrant). In contrast, our fixed income model places the greatest emphasis on valuation. As such, we may overweight fixed income funds with attractive valuations and but poor relative price trends (top left quadrant).

The datapoints in each chart are also coded, as shown below, to highlight their attractiveness based on our combined relative valuation and relative trend analysis.

- MOST ATTRACTIVE
- ATTRACTIVE
- NEUTRAL
- UNATTRACTIVE
- LEAST ATTRACTIVE

EQUITY vs. FIXED INCOME

Stocks got off to a strong start in 2024, while bonds struggled. We have recalibrated our stock vs. bond valuation model resulting in a more competitive relative valuation for equities.



- Global stocks continued to rally, notching an 8.2% first quarter gain. Bonds, however, could not extend their rise and declined 0.7%.
- The U.S. economy continues to exceed expectations and therefore the Fed is still holding off on interest rate cuts. With inflation still in check, the possibility of a soft economic landing looks promising. Interest rates are creeping up, but not to a level that seems to worry the stock market yet.
- The equity risk premium for global stocks is the lowest it has been since 2008. However, a look at the longer-term relationship going back to the 1965 reveals extended periods, like during the 1980's and 1990's when the earnings yield on stocks was persistently less than that the yield on 10-year Treasuries and at times by as much as 4%.
- We believe that this secular bull market for stocks could therefore have plenty left in the tank for the balance of this decade even if interest rates remain somewhat elevated.

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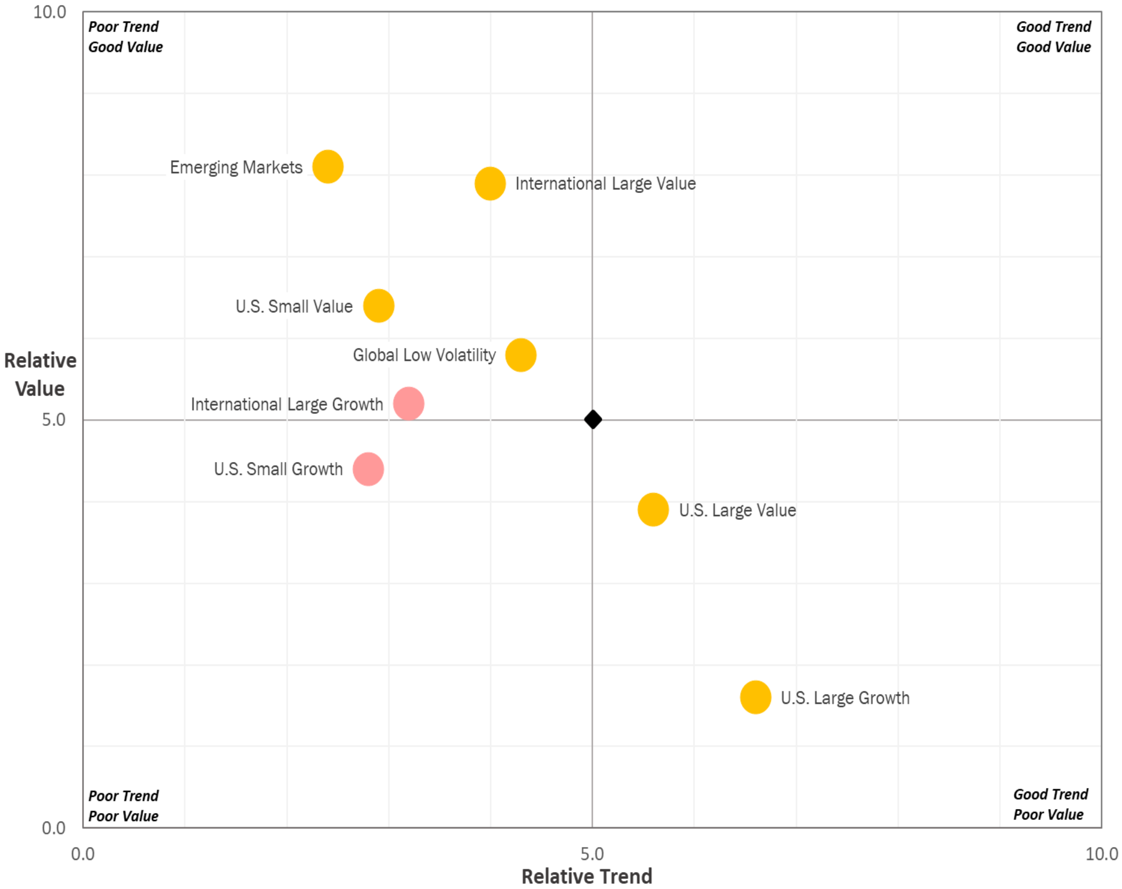
EQUITY

Global stocks got off to a very strong start in 2024 with one of the best first quarter returns. Similar years showed continued strength through year end.



- Global Stocks rose 8.1% in the first quarter. This is the third best quarterly start over the past two decades.
- Over that period, there have been six years in which the first quarter return was more than 5%. In five of those years, global stocks finished the year with a gain in the low-to-mid 20% range and the sixth instance still delivered a respectable gain of 16%.
- Large U.S. Growth Stocks continue to lead the global markets, but U.S. Large Value Stocks also performed well. U.S. Small Value and Emerging Markets were the laggards.
- We are using weakness in April to add equity exposure now that bullish investor sentiment has moderated and given our constructive economic outlook and the technical strength of the stock market.
- Despite the better values overseas, we will continue to emphasize Large U.S Growth stocks, and to a lesser extent Large U.S. Value Stocks, as long as their relative price momentum holds.

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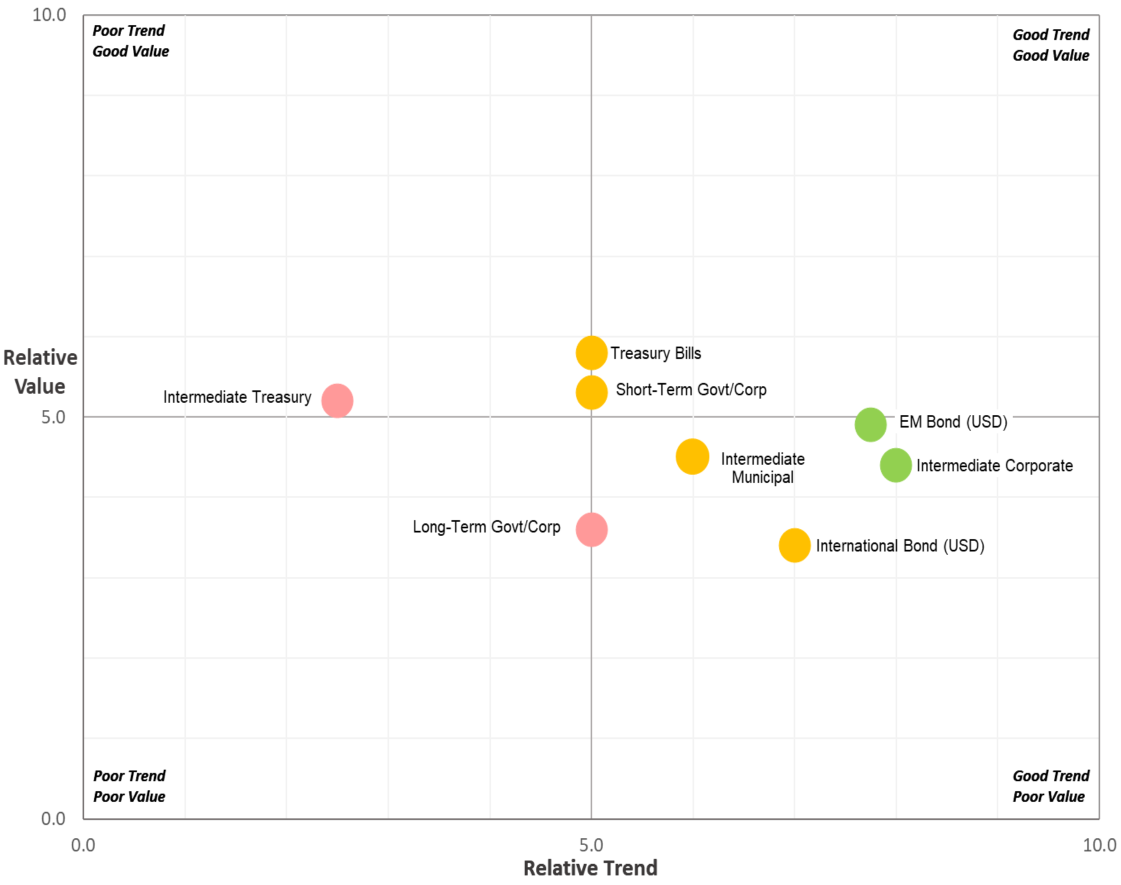
FIXED INCOME

Interest rates were back on the rise in the first quarter. The yield curve remains inverted with treasury bills offering the best risk-adjusted yields.



- U.S Aggregate and Municipal Bonds declined 0.7% and 0.3%, respectively, in the first quarter.
- Interest rates bounced higher in the first quarter as stronger than expected economic data dashed hopes for imminent rate cuts by the Fed. The ten year U.S. Treasury bond ended the quarter at 4.2% after started the year at 3.9%.
- Treasury bills and emerging market bonds (USD) both delivered gains of more than 1% in the quarter. Given the move in rates, longer-maturity bonds saw the largest price declines. Corporate bonds are outperforming treasuries.
- Among taxable bonds, we swapped our long-term treasury fund with a government/corporate fund. We also shifted our emerging market exposure from local currency to the U.S. dollar.
- Compared to our benchmark, our portfolios are tilted toward shorter-maturities and higher credit exposure.

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