

Market Outlook

FEBRUARY 20, 2025

2024 Index Returns	
MSCI ACWI	17.49%
S&P 500	25.02%
DJ Industrials Average	14.99%
NASDAQ Composite	29.57%
Bloomberg US Agg Bond	1.25%

Strong economic growth, feverish interest in AI infrastructure and applications, and a startlingly calm credit market drove strong returns for risky assets in 2024. The S&P 500 Index finished the year up 25%, an outsized performance heavily attributed to well-positioned megacap Tech companies.

Corporate earnings finished 2024 with a 16.9% growth rate, as of this writing (77% of S&P companies have reported), the highest rate since the end of 2021.¹ Personal Consumption Expenditures are growing at a 2%+ year-over-year clip, while nonfarm payrolls show a steadily expanding workforce (~250k monthly gain).

High yield spreads, a key measure of credit market health, started 2024 at 339 basis points. They ended at 292 basis points and fell to new cycle lows in late January 2025 (259bps). The Chicago Fed National Financial Conditions index has been negative since May 2020 (the Index tracks US financial conditions through a wide variety of indicators, including credit spreads and Volatility Indices; a negative Index implies easing conditions) and fell sharply throughout 2024.

Looking ahead, there are reasons to assume that the risk-on trade, underpinned by a general sense of strength in the economy and financial markets, will continue well into 2025.

To paraphrase economist Hyman Minsky: “stability breeds instability.”

To quote another economist, Alan Greenspan: “But how do we know when *irrational exuberance* has unduly escalated asset values, which then become subject to unexpected and prolonged contractions..?”

We currently stand in a post-COVID, post-bailout market environment marked by generational excitement related to technological change (AI) and now firmly entrenched risk-taking behaviors by companies, consumers, and investors. As a result, valuations have become stretched (although, in some key ways, not yet to late-1990s levels) and, in a sign of the times, demand has poured into a market segment in which proper valuation analysis is futile (crypto).

CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475
3/19/2025			0.0%	0.0%	0.0%	0.0%	2.5%	97.5%	0.0%
5/7/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	16.2%	83.4%	0.0%
6/18/2025	0.0%	0.0%	0.0%	0.0%	0.1%	6.5%	42.4%	51.0%	0.0%
7/30/2025	0.0%	0.0%	0.0%	0.0%	1.5%	13.9%	44.1%	40.4%	0.0%
9/17/2025	0.0%	0.0%	0.0%	0.5%	5.8%	24.4%	42.9%	26.4%	0.0%
10/29/2025	0.0%	0.0%	0.1%	1.5%	9.4%	28.0%	39.7%	21.3%	0.0%
12/10/2025	0.0%	0.0%	0.4%	3.4%	13.7%	30.7%	35.4%	16.4%	0.0%
1/28/2026	0.0%	0.1%	0.7%	4.2%	15.0%	31.1%	33.9%	15.1%	0.0%
3/18/2026	0.0%	0.1%	1.0%	5.2%	16.6%	31.3%	32.1%	13.6%	0.0%
4/29/2026	0.0%	0.2%	1.2%	5.8%	17.4%	31.4%	31.1%	12.9%	0.0%
6/17/2026	0.0%	0.2%	1.5%	6.5%	18.1%	31.4%	30.1%	12.2%	0.0%
7/29/2026	0.0%	0.3%	1.9%	7.3%	19.1%	31.3%	28.8%	11.3%	0.0%
9/16/2026	0.0%	0.3%	1.7%	6.9%	18.3%	30.4%	29.0%	12.5%	0.8%
10/28/2026	0.0%	0.3%	1.6%	6.5%	17.3%	29.3%	29.1%	14.0%	1.8%
12/9/2026	0.3%	1.5%	6.1%	16.5%	28.5%	29.1%	15.0%	2.7%	0.2%

Identifying inflection points in this market paradigm is and has always proved difficult. Previous cycles, particularly in the hedge fund dominated 2009-2013, were highly driven by macro factors, often at the expense of stock market returns. In order to navigate the market landscape in 2025 from a risk-managed growth perspective, one must turn their attention to any disruptions in the status quo. Narrative-killers are the risks to watch, with the narratives in question being:

- The Federal Reserve will not raise rates in 2025
- The JOBS Act will be extended beyond 2025
- AI investment will continue at a healthy pace in 2025
- Corporations will be able to continue pass-throughs of rising costs to the US consumer without top-line repercussions

These are the lines in the sand that, in our view, must not be crossed if market returns are to resemble those of last year.

POLICY OUTLOOK

The Federal Reserve began an easing cycle in September, responding aggressively to a sharp decline in the inflation rate and signs of labor market weakness by cutting the Federal Funds (FF) rate by 50 basis points. Since then, the FF rate has been lowered twice more and now stands at 425-450bps,

100bps lower than the previous cycle peak. At the December meeting, at which rates were cut 25bps, Chair Powell and the Fed noted that both inflation and the labor market may not have weakened at the pace that it had once expected given its aggressive tightening cycle from 2022-23. From the 12/18 Press Conference:

“With today’s action, we have lowered our policy rate by a full percentage point from its peak, and our policy stance is now significantly less restrictive. We can therefore be more cautious as we consider further adjustments to our policy rate.”

This and related comments from the Fed have muted expectations for future cuts. Looking at the CME’s FedWatch tool, which uses FF Rate futures to illustrate trader expectations, there are no more rate cuts expected until July.

In October 2024, there was a near zero probability of rates staying at current levels through June. On February 12, those odds stood at 66%.

Nevertheless, we see an asymmetrical balance between the probability of rate hikes and cuts, despite the situation appearing relatively balanced. A direction reversal is historically unusual for the Fed and would carry a weight on financial markets greater than the nominal change in the risk-free rate. It is our view that the Fed would prefer to take a wait-and-see stance on the upside in order to avoid unintended consequences, while another wave lower in jobs growth and inflation would be met with continued easing. This asymmetry acts as a tailwind asset prices unless inflation does make a move higher, e.g., core CPI >2.5%), in which case volatility is likely as traders assess the Fed’s possible reaction.

CREDIT MARKET OUTLOOK

High yield bonds benefited from accommodative monetary policy, strong corporate earnings, and low default rates. High yield spreads fell from 339 basis points to 292 basis points at the end of 2024. Emerging markets spreads compressed at a greater rate, falling from just under 250bps to a low of 160bps before finishing the year at 174bps.

Easing credit conditions were net tailwinds for corporate bonds in 2024. In addition to the cycle turn in inflation rates, the March 2023 bailout of Silicon Valley

Rating actions are skewed positive in 2024*

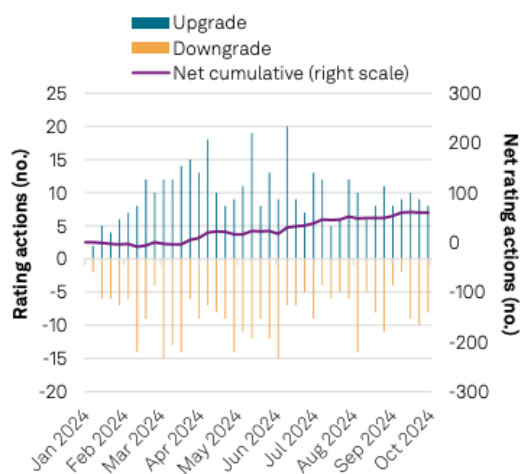
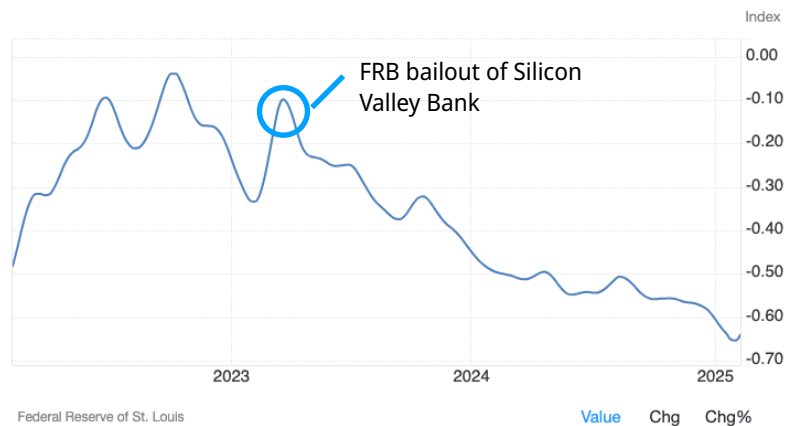


Chart: S&P Global

Bank reinforced both confidence in the financial system and “moral hazard”-driven risk taking after the rescue of several regional banks that were identified not as victims but what could have easily served as cautionary tales on speculation the banking sector.



Chicago Financial Conditions Index (lower indicates easing conditions). Chart: tradingeconomics

We see opportunities for further gains in the credit market if Treasury yields continue in the current range or decline further. Key risks for the sector include tariffs/trade policy, the potential for a resumption higher in US inflation rates, and historically tight margins in low-grade credit offering little compensation for exogenous shocks. We currently favor US issues over international bonds, but will monitor market trends for signs of a cycle shift.

CONCLUSION

US stocks and credit continue to show strength, and the fundamentals currently support market strength. 2025 has already presented several tests of the market’s resolve, most notably the immediate impact of a new Presidential administration following through on its campaign promises related to trade agreements. We expect further tests throughout the year, and the market’s ability to withstand them is likely to create a feedback loop - each passed test will increase investor expectations for future outcomes, reducing downside volatility. A failed test, or disruption in the narratives laid out earlier in this piece, could induce a negative feedback loop. Our strategies monitor incoming data and are designed to adapt to changing market conditions. We will continue to evaluate the data and seek risk-adjusted opportunities in global equities, fixed income, alternatives, and commodities.

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Benchmark Definitions

MSCI ACWI Index: a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International (MSCI), and is comprised of stocks from both developed and emerging markets.

Bloomberg US Aggregate Bond Index: comprised of approximately 6,000 publicly traded bonds including U.S Government, mortgage-backed, corporate, and Yankee bonds with an approximate average maturity of 10 years.

S&P 500 Index: a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It is the most widely used benchmark for US stock funds and portfolios.

Dow Jones Industrial Average: stock market index that tracks 30 large, publicly owned blue-chip companies trading on the New York Stock Exchange (NYSE) and Nasdaq.

NASDAQ Composite: a market capitalization-weighted index of more than 2,500 stocks listed on the Nasdaq stock exchange. It is a broad index that is heavily weighted toward the important technology sector.

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Quartz Partners Investment Management
19 Railroad Place, Saratoga Springs, NY 12866
(800) 433-0422
quartzpartners.com





AS OF DECEMBER 31, 2024

Strategy Performance Summary

STRATEGY / BENCHMARK	FEES	CUMULATIVE		AVERAGE ANNUAL TOTAL RETURNS					Inception Date
		3-mo	YTD	1-yr	3-yr	5-yr	10-yr	Since Inception	
QUARTZ TACTICAL STRATEGIES									
Quartz Equity	GROSS	1.67	12.31	12.31	0.41	8.44	-	6.34	3/1/15
	NET	1.16	10.10	10.10	-1.58	6.31	-	4.24	
MSCI ACWI Index		-0.99	17.49	17.49	5.43	10.06	-	8.96	
Quartz Spectrum	GROSS	2.15	12.55	12.55	0.60	7.44	-	5.96	3/1/15
	NET	1.65	10.34	10.34	-1.39	5.32	-	3.87	
Blended Benchmark		-2.86	8.27	8.27	1.47	5.37	-	5.93	
Quartz Yield Plus	GROSS	1.22	7.60	7.60	1.57	1.85	-	2.75	3/1/15
	NET	0.71	5.48	5.48	-0.44	-0.16	-	0.71	
BBg US Aggregate Bond Index		-3.06	1.25	1.25	-2.41	-0.33	-	1.25	
Quartz High Yield Legacy	GROSS	0.34	7.79	7.79	0.96	1.59	-	2.24	3/1/15
	NET	-0.16	5.67	5.67	-1.04	-0.42	-	0.22	
BBg US Corporate High Yield Index		0.17	8.19	8.19	2.92	4.21	-	4.93	
QUARTZ ADAPTCORE PORTFOLIOS									
adaptCORE Aggressive Growth	GROSS	1.62	11.23	11.23	0.81	6.71	-	5.44	6/1/15
	NET	1.11	9.04	9.04	-1.19	4.60	-	3.36	
Blended Benchmark		-1.30	14.94	14.94	4.30	8.59	-	8.00	
adaptCORE Long-Term Growth	GROSS	1.76	11.36	11.36	0.77	7.05	-	5.77	5/1/15
	NET	1.25	9.17	9.17	-1.22	4.94	-	3.69	
Blended Benchmark		-1.61	12.43	12.43	3.16	7.08	-	6.81	
adaptCORE Balanced Growth	GROSS	1.80	10.94	10.94	1.06	6.18	-	5.31	5/1/15
	NET	1.30	8.76	8.76	-0.94	4.09	-	3.23	
Blended Benchmark		-2.02	9.14	9.14	1.60	5.03	-	5.30	
adaptCORE Conservative Growth	GROSS	1.39	8.56	8.56	1.67	3.24	-	3.59	5/1/15
	NET	0.89	6.42	6.42	-0.34	1.20	-	1.54	
Blended Benchmark		-2.75	3.57	3.57	-1.19	1.31	-	2.51	

Please see Pages 3-6 for important disclosures and information regarding strategy benchmarks. Net returns are based on a 2% maximum advisory fee.

STRATEGY / BENCHMARK		CUMULATIVE		AVERAGE ANNUAL TOTAL RETURNS					Inception Date
		3-mo	YTD	1-yr	3-yr	5-yr	10-yr	Since Inception	
ASTERIA PORTFOLIOS: US STOCK PORTFOLIOS									
Asteria US Growth Equity Russell 3000 Growth Index	GROSS	5.18	37.48	37.48	15.55	16.40	14.64	14.66	9/1/14
	NET	4.66	34.83	34.83	13.29	14.12	12.39	12.41	
		6.82	32.46	32.46	9.93	18.24	16.22	15.87	
Asteria US Dividend Equity Russell 3000 Value Index	GROSS	0.25	21.59	21.59	8.99	9.79	9.27	11.44	1/1/13
	NET	-0.25	19.22	19.22	6.84	7.63	7.12	9.25	
		-1.94	13.98	13.98	5.40	8.59	8.40	10.60	
Asteria US Core Equity Russell 3000 Index	GROSS	1.11	25.43	25.43	11.63	16.03	-	17.96	10/1/19
	NET	0.61	22.99	22.99	9.44	13.76	-	15.66	
		2.63	23.81	23.81	8.00	13.86	-	15.04	
Asteria Equity Commodity S&P GSCI Index	GROSS	-0.88	1.37	1.37	3.34	-	-	4.90	4/1/21
	NET	-1.37	-0.64	-0.64	1.30	-	-	2.83	
		3.81	9.25	9.25	9.63	-	-	13.88	
ASTERIA PORTFOLIOS: ETF PORTFOLIOS									
Asteria US Dividend ETF Strategy Russell 3000 Value Index	GROSS	-2.87	13.08	13.08	8.84	10.81	8.69	9.63	12/1/13
	NET	-3.36	10.86	10.86	6.70	8.63	6.54	7.47	
		-1.94	13.98	13.98	5.40	8.59	8.40	8.95	
Asteria US Growth ETF Strategy Russell 3000 Growth Index	GROSS	-0.53	17.79	17.79	6.09	10.90	10.79	11.75	1/1/14
	NET	-1.03	15.49	15.49	3.99	8.72	8.61	9.55	
		6.82	32.46	32.46	9.93	18.24	16.22	15.87	
Asteria US Market ETF Strategy Russell 3000 Index	GROSS	-0.25	15.76	15.76	-	-	-	17.08	12/1/22
	NET	-0.75	13.49	13.49	-	-	-	14.79	
		2.63	23.81	23.81	-	-	-	8.36	
ASTERIA PORTFOLIOS: INTERNATIONAL ETF PORTFOLIOS									
Asteria Developed Markets Equity MSCI EAFE Index	GROSS	-4.48	9.37	9.37	3.06	7.33	-	6.92	10/1/17
	NET	-4.97	7.22	7.22	1.02	5.21	-	4.82	
		-8.11	3.82	3.82	1.64	4.73	-	4.55	
Asteria Emerging Markets Equity MSCI Emerging Markets Index	GROSS	-5.27	9.53	9.53	-1.65	2.93	-	3.36	4/1/15
	NET	-5.75	7.37	7.37	-3.60	0.89	-	1.32	
		-8.01	7.50	7.50	-1.92	1.70	-	3.49	

Please see Pages 3-6 for important disclosures and information regarding strategy benchmarks. Net returns are based on a 2% maximum advisory fee.

STRATEGY / BENCHMARK <i>Please see Pages 3-6 for important disclosures and information regarding strategy benchmarks. Net returns are based on a 2% maximum advisory fee.</i>		CUMULATIVE		AVERAGE ANNUAL TOTAL RETURNS					Inception Date
		3-mo	YTD	1-yr	3-yr	5-yr	10-yr	Since Inception	
ASTERIA PORTFOLIOS: FIXED INCOME ETF PORTFOLIOS									
Asteria International Fixed Income	GROSS	-3.77	2.71	2.71	-2.81	-	-	-1.80	4/1/21
	NET	-4.25	0.68	0.68	-4.74	-	-	-3.75	
BBg Global Aggregate Bond Index		-5.10	-1.69	-1.69	-4.52	-	-	-3.70	
Asteria US Fixed Income	GROSS	-2.21	3.21	3.21	-0.92	-	-	-0.19	4/1/21
	NET	-2.70	1.17	1.17	-2.89	-	-	-2.17	
BBg US Aggregate Bond Index		-3.06	1.25	1.25	-2.41	-	-	-1.44	
ASTERIA PORTFOLIOS: LIQUID ALT MODELS (INTERVAL)									
Asteria Alt Moderate	GROSS	1.48	4.02	4.02	0.98	-	-	4.10	4/1/21
	NET	0.96	1.97	1.97	-1.02	-	-	2.05	
Blended Benchmark		0.21	15.04	15.04	4.46	-	-	7.04	

Disclosures

Investors should carefully consider the underlying funds’ fees, expenses, objectives and risks carefully before investing. Quartz Partners Investment Management (“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. All results are expressed in US dollars and reflect reinvestment of dividends, capital gains, and other earnings as well as the deduction of trading or other expenses incurred.

Prior to October 2023, the Asteria strategies, including the management of accounts and associated performance related to that period, were maintained by Asteria Wealth, a Registered Investment Advisor. In October 2023, Quartz acquired the strategies and accounts of Asteria Wealth, which subsequently closed. The primary manager and investment style of all Asteria strategies have not changed since being acquired by Quartz. Inception dates for Asteria strategies are based on data received by Quartz upon purchase and may differ from those provided by Asteria prior to October 2023.

Performance reflects the gross return of the composite reduced by the maximum annual management fee of 2.00% applied monthly. Performance results do not reflect transaction fees and other expenses charged by broker-dealers and/or custodians, which will reduce returns. Actual fees paid and 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 programs 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. The benchmarks referenced herein have not been selected to represent an appropriate benchmark with which to compare a client’s performance, but rather are disclosed to allow for comparison of the client’s performance to that of certain well-known and widely recognized indices. Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly.

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Blended Benchmarks

STRATEGY	BLENDED BENCHMARK
adaptCORE Aggressive Growth	85% MSCI ACWI Index / 15% Bloomberg US Aggregate Bond Index
adaptCORE Long-Term Growth	70% MSCI ACWI Index / 30% Bloomberg US Aggregate Bond Index
adaptCORE Balanced Growth	50% MSCI ACWI Index / 50% Bloomberg US Aggregate Bond Index
adaptCORE Conservative Growth	15% MSCI ACWI Index / 85% Bloomberg US Aggregate Bond Index
Asteria Liquid Alt: Moderate	60% S&P 500 Index / 40% Bloomberg US Aggregate Bond Index

Benchmark Descriptions

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Bloomberg US Aggregate Bond Index: comprised of approximately 6,000 publicly traded bonds including U.S Government, mortgage-backed, corporate, and Yankee bonds with an approximate average maturity of 10 years.

Bloomberg Global Aggregate Bond Index: measures the performance of the global investment grade, fixed-rate bond markets. The benchmark includes government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging markets issuers.

Bloomberg US Corporate High Yield Bond Index: measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

The **Russell 3000 Index** is a market-capitalization-weighted equity index maintained by FTSE Russell that provides exposure to the entire U.S. stock market. The index tracks the performance of the 3,000 largest U.S.-traded stocks which represent about 98% of all U.S incorporated equity securities. The **Russell 3000 Value Index** is a market-capitalization weighted equity index maintained by the Russell Investment Group and based on the Russell 3000 Index, which measures how U.S. stocks in the equity value segment perform by including only value stocks. The **Russell 3000 Growth Index** is a market capitalization-weighted index based on the Russell 3000 index. The Russell 3000 Growth Index includes companies that display signs of above-average growth. The index is used to provide a gauge of the performance of growth stocks in the United States.

S&P 500 Index: a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It is the most widely used benchmark for US stock funds and portfolios.

S&P GSCI Index: one of the most widely recognized benchmarks that is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures, and provides diversification with low correlations to other asset classes.

MSCI EAFE Index: designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

MSCI Emerging Markets Index: The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,437 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Strategy Descriptions

QUARTZ EQUITY

Tactical global equity strategy seeking long-term capital appreciation with a secondary emphasis on capital preservation. The Strategy is intended to exhibit an aggressive risk profile over a full market cycle. The Strategy will be primarily determined based on our outlook on the financial markets and global economy. Relative strength and other technical analyses may also be used to make asset allocation decisions. The Strategy may consist of a mix ETF's or Mutual Funds that invest in US equity, foreign equity, real estate investment trust (hereafter "REIT"), commodity, government bond and or cash or equivalent Securities. Equity, government bond and/or cash or equivalent Securities may make up to 100% of the Strategy. The Strategy is non-diversified and will often be concentrated in one or a select number of Securities. The Strategy may at times be invested up to 100% in US Treasury/government bond Securities and/or cash or equivalent Securities.

QUARTZ SPECTRUM

Tactical all-asset strategy seeking long-term capital growth with a secondary emphasis on capital preservation. The Strategy is intended to exhibit a moderately aggressive risk profile over a full market cycle. The Strategy will be primarily determined based on our outlook on the financial markets and global economy. Relative strength and other technical analyses may also be used to make asset allocation decisions. The Strategy may invest across the entire asset class universe and seeks to provide positive total returns through tactical allocations amongst each of the distinct asset classes. As a result, the Strategy may offer varying levels of risk and does not resemble a traditional, diversified allocation of stocks and bonds. The Strategy may consist of a mix ETF's or Mutual Funds that invest in US equity, foreign equity, bond, REIT, Commodity, and or cash or equivalent Securities. Equity, government bond and/or cash or equivalent Securities may make up to

100% of the Strategy. The Strategy is non-diversified and will often be concentrated in one or a select number of Securities. The Strategy may at times be invested up to 100% in US Treasury/government bond Securities and/or cash or equivalent Securities.

QUARTZ YIELD PLUS

Tactical global fixed income strategy seeking total returns and current income with a secondary emphasis on capital preservation. The Strategy is intended to exhibit moderately conservative risk profile over a full market cycle. The Strategy will be primarily determined based on our outlook on the financial markets and global economy. Relative strength and other technical analyses may also be used to make asset allocation decisions. The Strategy will often invest up to 100% in high yield corporate bond Securities, which typically represents the primary source of return and risk to the Strategy. The Strategy may consist of a mix of ETF's or Mutual Funds that invest in an unconstrained mix of bond Securities (including but not limited to bank loans, global bonds, emerging markets debt, government bonds, and municipal bonds), convertible Securities, REITs, and/or cash or equivalent Securities. Target allocations to equity Securities with a positive yield may represent up to 30% of the Strategy. The Strategy is non-diversified and will often be concentrated in one or a select number of Securities. Leveraged Securities may be used in the Strategy. The Strategy may at times be invested up to 100% in US Treasury/government bond and/or cash or equivalent Securities.

QUARTZ HIGH YIELD LEGACY

Tactical high yield bond strategy seeking positive total returns and current income with a secondary emphasis on capital preservation. The Strategy is intended to exhibit moderately conservative risk profile over a full market cycle. The Strategy's portfolio will be primarily determined based on our outlook on the financial markets and global economy. Relative strength and other technical analyses may also be used to make asset allocation decisions. The Strategy will often invest up to 100% in ETF's or Mutual Funds that invest in high yield corporate bonds, which typically represents the primary source of return and risk to the Strategy. The Strategy is non-diversified and will frequently be 100% invested in high yield bond Securities, government bond Securities, or cash or equivalent Securities. The Strategy may at times be invested up to 100% in US Treasury/government bond and/or cash or equivalent Securities.

adaptCORE PORTFOLIOS

Multi-strategy portfolios built through allocations to multiple Quartz Strategies to provide a more diversified and targeted total portfolio solution. Each target-risk portfolio offers an all-inclusive portfolio solution which seeks positive total returns within its asset class and risk constraints. Details regarding strategy allocations within the *adaptCORE* Portfolios can be found in the *adaptCORE* Fact Sheet and in our ADV Part 2.

ASTERIA DIVIDEND STRATEGY

Prior to October 2023, the US Dividend Equity Strategy was named the Dividend Strategy. The Strategy seeks to provide investors with a desirable mix of income and total return through stock dividends and capital appreciation of equity holdings. This strategy explicitly targets stocks believed to be undervalued by fundamental measures. Strong future appreciation potential is emphasized along with current income.

ASTERIA GROWTH STRATEGY

Prior to October 2023, the US Growth Equity Strategy was named the Growth Strategy. The Strategy seeks to achieve capital appreciation by investing in common stocks of various sized companies that we believe will experience accelerated earnings, strong revenue growth, and/or robust share price appreciation. In assessing and selecting stocks for

investment, we analyze economic margin, company valuations, industry economic margin trends, management actions, and pricing momentum. We also seek companies that show persistent growth relative to their peers and industry. In analyzing potential investments we pay particular attention to current valuations versus expected cash flow to minimize the likelihood of overpaying for future earnings.

ASTERIA US CORE STRATEGY

Prior to October 2023, the US Core Equity Strategy was named the US Core Strategy. The Strategy seeks to provide exposure to both value and growth-oriented positions by hand-selecting individual stocks found in our Dividend and Growth Portfolios and combining them into one portfolio. This strategy serves as a foundational piece to a client's portfolio.

ASTERIA U.S. DIVIDEND ETF STRATEGY

The U.S. Dividend ETF Strategy seeks to provide investors with a desirable mix of income and total return through stock dividends and capital appreciation of equity holdings. The portfolio is allocated to market sectors that we believe will provide strong long-term performance and reduced cross-correlation with each other. The combined positions are expected to provide good income and performance with reduced total portfolio risk. Diversification is targeted by style, size of companies, industry, and other characteristics according to perceived opportunities. Seeking higher income normally results in a portfolio bias toward value stocks because of their generally higher dividend yield. The strategy also incorporates other sectors in an attempt to further support the objectives of increasing portfolio income and returns while also decreasing volatility.

ASTERIA US GROWTH ETF STRATEGY

The U.S. Growth ETF Strategy seeks to provide investors with capital appreciation of equity holdings through investing in market sectors that are expected to provide strong long-term performance and reduced cross-correlation with each other. The combined positions are expected to reduce total portfolio risk. Diversification is targeted by style, size of companies, industry, and other characteristics according to perceived opportunities. Seeking strong growth will often result in portfolio allocations to sectors expected to experience higher long-term growth such as mid and small capitalization companies. The strategy also includes other sectors in an attempt to further support the objective of strong returns with reduced volatility.

ASTERIA US MARKET ETF STRATEGY

The U.S. Market ETF Strategy seeks to provide investors with attractive returns for a given level of volatility by investing in various sectors expected to provide strong long-term performance and reduced cross correlation. We expect the combined positions to provide the potential for reduced total portfolio risk. Diversification is targeted by style, size of companies, industry, and other characteristics according to perceived opportunities.

ASTERIA DEVELOPED MARKETS REGIONAL

The Developed Markets Regional Strategy seeks to invest in non-U.S. developed markets across different regions throughout the world. In addition to allocating by regions, the portfolio also may be diversified by style, size of companies, and other characteristics according to perceived opportunities. The strategy seeks to gain exposure to non-U.S. economic trends, political environments, regulatory regimes, market sentiments, currency movements, and various other international factors.

ASTERIA EMERGING MARKETS REGIONAL

The Emerging Markets Regional Strategy invests in emerging markets across different regions throughout the world. In addition to allocating by regions, the portfolio also may be diversified by style, size of companies, and other characteristics according to perceived opportunities. The strategy seeks to

gain exposure to non-U.S. economic trends, political environments, regulatory regimes, market sentiments, currency movements, and various other international factors. Equities from firms based in the United States or developed markets, according to common categorizations, are specifically excluded.

ASTERIA EQUITY COMMODITY STRATEGY

The Equity Commodity Strategy invests in equities of firms operating in the natural resource and commodities markets. This investment approach for commodities can provide participation in long-term commodity price trends because corporate profitability of firms operating in the natural resource sectors are often strongly linked to commodity prices. In addition, this strategy provides investors access to a broad range of soft commodities, such as wheat, and hard commodities, such as metals. Holding equities of operating companies rather than commodities futures contracts or physical commodities also enables investors to potentially benefit from management and company specific value creation. This approach does not invest in commodities futures contracts or physical commodities.

ASTERIA INTERNATIONAL FIXED INCOME STRATEGY

The International Fixed Income Strategy seeks to provide investors exposure to fixed income holdings outside of the United States. Investments are diversified according to multiple different characteristics including global regions, developed and emerging economies, average maturity, duration, credit quality, yields, government securities, corporate bonds, and possibly other characteristics. Returns are expected to result primarily or exclusively from interest income.

ASTERIA US FIXED INCOME STRATEGY

The U.S. Fixed Income Strategy seeks to provide investors exposure to a diversified U.S. fixed income portfolio. Investments are diversified according to multiple different characteristics including average maturity, duration, credit quality, yields, government securities, corporate bonds, and possibly other characteristics. Returns are expected to result primarily or exclusively from interest income rather than growth of principal.

*Investment Advisory Services offered through
Quartz Partners, LLC, an SEC-Registered Investment Advisor.*

Quartz Partners Investment Management
19 Railroad Place, Saratoga Springs, NY 12866
(800) 433-0422
quartzpartners.com

