UTRNX

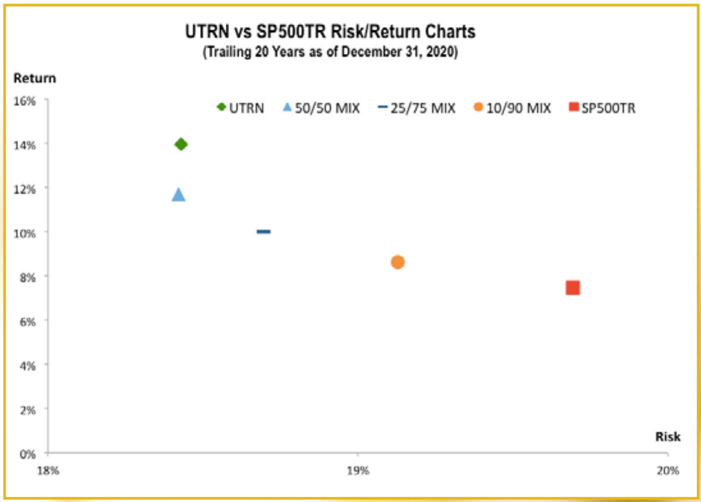
Vesper Capital Management

FOR MOST OF THE BULL MARKET FOLLOWING THE 2008 FINANCIAL CRISIS, INVESTORS INCREASED THEIR EXPOSURE TO THE S&P 500 INDEX.

On the face of it, this made sense. The index provided broad market exposure at a reasonable cost. While the market rose in value, the index was required to buy more stocks at higher prices. Through much of the up periods, the stocks going up the most were the mega cap names we all know, the FANG stocks (Facebook, Amazon, Apple, Netflix, and Google). Since the S&P 500 is a capitalization weighted index, when the mega cap stocks go up, the index owns more of them. In effect, the exposure to these stocks goes up because the price has increased. Essentially, this is called momentum investing. Momentum index investing forces investors to buy at high prices and sell at low prices.

UTRNX is designed to do the opposite. It buys stocks that have gone down in price and appear to be poised for a rebound. Investors overreact to bad news in the short-term by selling too much and driving prices down below their intrinsic value. UTRNX systematically buys these oversold stocks essentially after the S&P 500 has sold them.

HIGHER RETURN/LOWER RISK



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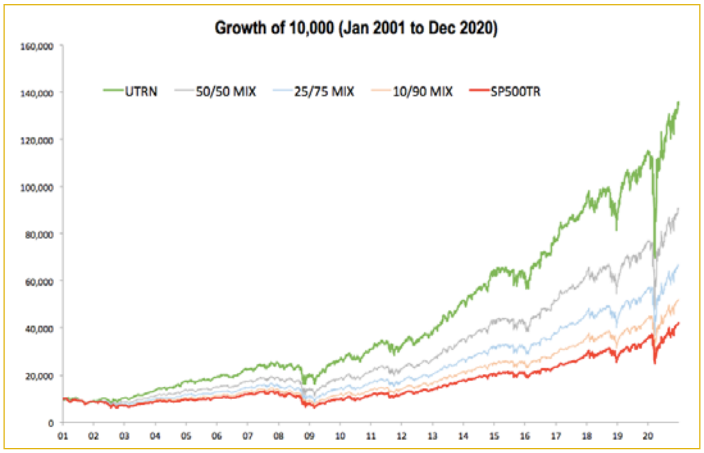
We have found that combining UTRNX with the S&P 500 has provided better results, higher returns and lower risk, than simply owning the S&P 500. Experience has also shown that UTRNX has generally not owned the mega cap stocks as much as the S&P 500. What this means is; URTNX and the S&P 500 are not only complimentary strategies but the combination also helps diversify away some of the increased concentration of the mega cap stock exposure.

A core/satellite approach is a method of portfolio construction designed to reduce risk and improve returns relative to the major market indexes. In large cap, the core of the portfolio is usually the passive S&P 500 Index, while the satellite can be any value-adding/risk-mitigating active strategy. With this in mind, if Vesper's Large Cap Short-Term Reversal Index (Symbol UTRNX) had been used as a satellite in combination with a core S&P 500 Total Return Index position, over the trailing 20-year periods ending 12/31/2020, returns would have improved and risk reduced relative to just the S&P 500 Total Return Index.

20-YEAR RETURNS



For financial professionals only. Both the Vesper Large Cap Short-Term Reversal Index (Symbol UTRNX) and the S&P Total Return Index (SP500TR) are indexes. Investors cannot directly invest in indexes. Indexes do not incur management fees and trading costs. SP500TR commenced 1957 while UTRNX started 10/31/18. Results referenced before these dates are back-tested. Future performance may be higher or lower than the results quoted. Results for periods greater than one year are annualized. Past performance in no guarantee of future success.

FOR MORE INFORMATION

If you have any questions or would like more information on this unique strategy, please visit VesperGlobal.com/UTRNX or contact us directly.

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