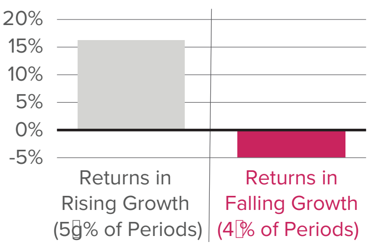
Advanced Research Ultra Risk Parity Index

EVOKE

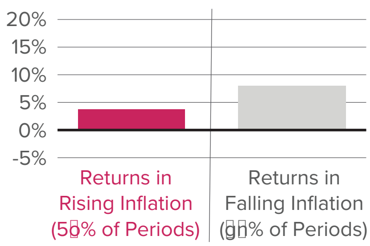
[illegible] TO GROWTH AND INFLATION SURPRISES

Equities tend to underperform when growth disappoints and when in ation rises more than expected. Risk parity seeks to reduce exposure to economic surprises to achieve more consistent performance across environments.

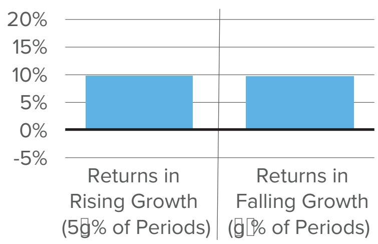
Equities Underperform When Growth Disappoints



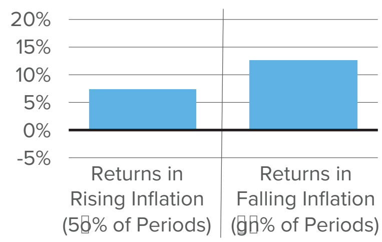
Equities Underperform When Inflation Rises



Risk Parity Is Balanced to Growth Surprises



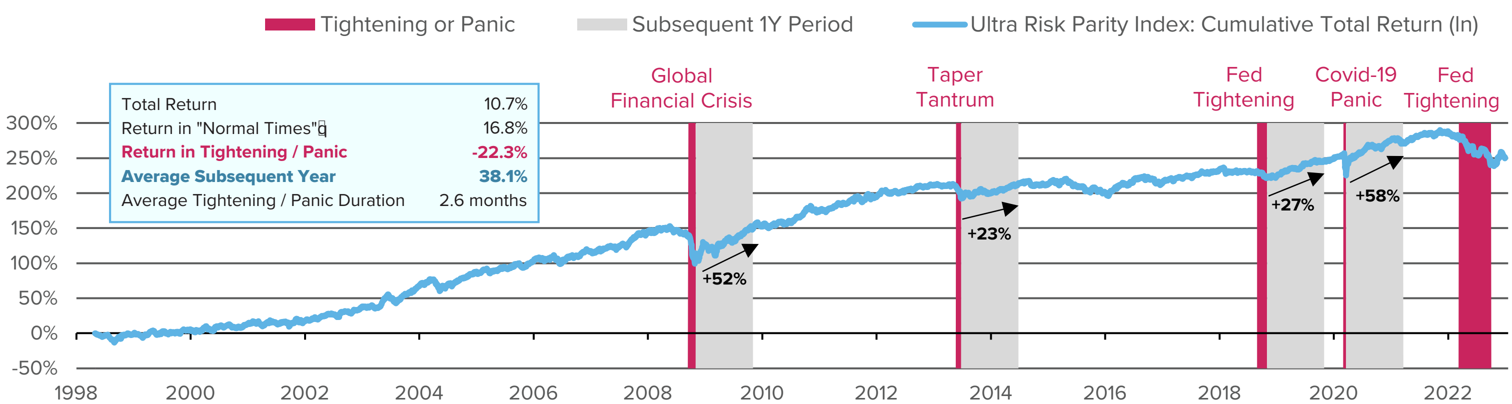
Risk Parity Is Balanced to Inflation Surprises



For illustrative purposes only. Charts show the annualized monthly total returns since April 30, 1998 of global equities (MSCI World) compared to the performance of the Ultra Risk Parity Index (UPARTR) in periods when growth and inflation are above/below expectations. Growth is considered above (below) expectations if the quarterly real GDP growth rate is above (below) the Survey of Professional Forecasters' forecast for the period as of the prior quarter end. Inflation is considered above (below) expectations if the YoY inflation rate is above (below) the Survey's forecast for the average annualized rate for the coming year as of the prior quarter end. Other methodologies for determining economic surprises could reasonably have been chosen with materially different results. Data calculated through [illegible] 202[illegible] (the date of the most recent GDP print). [illegible]

PERFORMANCE DURING AND AFTER TIGHTENING AND PANIC PERIODS

Risk parity performs poorly in periods of tightening or panic, when cash is king and all asset classes tend to underperform. These periods (shown in **red** in the chart below) have typically been short-lived and followed by periods of above-average performance (shown in **gray**).



Important Disclosures