



1879
ADVISORS

A BRUDERMAN COMPANY

TACTICAL
EQUITY
STRATEGY

1879 Advisors

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Introduction

1879 Advisors has been serving individual investors for four generations. We bring a unique blend of knowledge, experience, and resources to every client relationship that we serve, offering the highest caliber of service from a team of nationally recognized experts. 1879 Advisors is a money management firm dedicated to serving the needs of individual investors. We have helped thousands of investors achieve their retirement goals. Our investment process is designed and implemented by our Investment Committee, whose members have over a century of combined experience amongst them.

Tactical Equity Strategy Overview

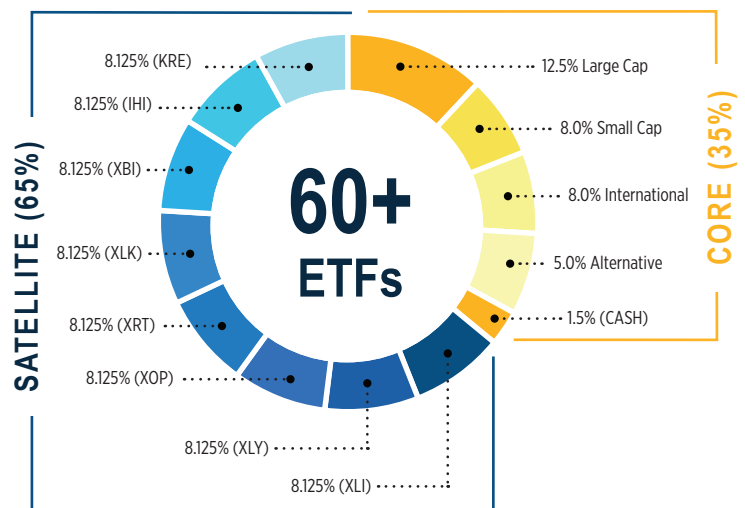
The 1879 Tactical Equity Strategy seeks to achieve long-term capital appreciation by investing primarily in a diversified high conviction portfolio of equity ETFs. The strategy invests 35% of assets in a core portfolio that provides market exposure throughout a market cycle. 65% of the portfolio is invested tactically - dynamically allocating to sectors and countries exhibiting high price momentum. The portfolio may hold up to 65% in cash as a defensive position until price trends recover. The objective of the tactical allocation is to participate in upward trending markets while potentially limiting declines in downward trending markets.

Screening Process

Not all ETFs are created alike, which is why 1879 begins the portfolio construction process with a rigorous screening process to identify suitable ETFs for our Tactical ETF Strategy. Focusing on cost, trading volume, track record and underlying index construction, the investment team has identified 60+ ETFs, out of a universe of around 2,000, that meet our strict investment criteria. This screening process is ongoing to ensure that we maintain a high quality offering that does not unduly subject investors to trading and liquidity risk or the potential for uncovering a more suitable ETF in a rapidly changing landscape.

Our Tactical Equity Strategy, unlike other strategies, only focuses on technical indicators such as inflows and outflows as well as price momentum. In other words, there are no emotions and there is no subjectivity. The strategy follows the market's lead and where the money is flowing – it's all about supply and demand.

Hypothetical example as of 8/1/18



* This program is dynamic by nature and the portfolio/universe of constituents may change without notice. See your financial planner or advisor for advice as to how selected individual securities may fit into your overall financial plan. No securities from this list should be purchased without first consulting your financial advisor. Past performance is not indicative of future returns. All data is provided from a source that is deemed reliable by Bruderman Asset Management, LLC.

Top Dollar Flows

STYLE ALLC.	US SECTOR	INTERNATIONAL	COMM / REAL EST
EFA 11.49 B	FINANCIALS XLF 5.60 B	BRAZIL EWZ 2.44 B	REAL ESTATE VNQ 1.97 B
SPY 10.58 B	ENERGY XLE 1.27 B	JAPAN EWJ 622 M	DIVIDEND VYM 1.40 B
IWM 199 M	REGIONAL BANKING KRE 624 M	INDIA INDA 474 M	GOLD GLD 915 M
	BIO-TECH XBI 589 M	FRANCE EWQ 301 M	
	TECHNOLOGY XLK 580 M	SPAIN EWP 226 M	

Source: Bloomberg. Data from 1/1/17 - 12/31/17. ETFs chosen to represent each sector based on the most liquid ETF in each segment of the ETF.com ETF Classification System.

How our ranking system works

Most investment strategies focus on either fundamental analysis – ergo, the specific attributes of a company and its stock price to determine valuation and a price target; or on global macro themes – i.e. economic trends, geopolitical risks and industry expectations, thereby injecting subjectivity and emotions.



While the inner workings of the ranking system are very complex, taking into consideration over 20 different signals, the signals are clear and easy to understand. We only invest into an ETF that is ranked an **A**. Should it fall to a **C** we will place it on a watch list, which would cause the ETF to be sold at the end of the month when the portfolio is re-screened and re-allocated. In the event that a given ETF falls to a **D**, it is sold that or the following trading day – depending on market conditions and time.

The “Core” component of the strategy remains fully invested at all times, whereas the “Satellite” component of the strategy will be invested on an even weight basis between eight “**A**” ranked ETFs. These will vary based on the ranking system indicators and could range from a biotech subsector ETF to an international ETF tracking the Indonesian stock market, or into commodity ETFs such as Gold or Silver. The process and ranking, i.e. money flows, dictate where the tactical component of the strategy is invested. When markets are fragile and declining, our ranking system may cause the portfolio to shift as much as the entire tactical allocation, 65% of the portfolio, into cash – if there are no buy signals, we stay in cash until there are buy signals.

A Better Way to Diversify:

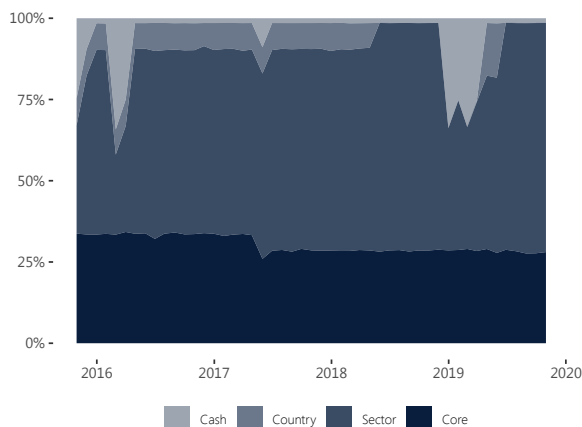
Portfolio Statistics

As of 10/31/2019

Metric	Tactical Equity	MSCI World
Return		
Average annualized return	8.0%	11.1%
Annualized alpha	-1.2%	-0.0%
Sharpe ratio (0% rf)	0.75	0.96
Sortino ratio (0% rf)	0.94	1.29
Risk		
Annualized Standard deviation	10.6%	11.6%
Beta	0.84	1.00
Maximum drawdown	-16.8%	-14.1%
Correlation	91.0%	100.0%

Sector Allocation (%)

As of 10/31/2019



Investment Committee

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1879 Advisors

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Before engaging 1879 Advisors® as an investment advisor, prospective clients will be given Bruderman Asset Management's Disclosure Document, which contains important information regarding BAM's services, fees, conflicts of interest, and other matters. Prospective clients are urged to read the Disclosure Document carefully before becoming a client. Prospective investors may obtain this important disclosure by visiting our website at www.bruderman.com or by writing us at:

1879 Advisors

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Exchange Traded Funds (ETFs) are subject to market risk, including the possible loss of principal. The value of the portfolio will fluctuate with the value of the underlying securities. ETFs trade like a stock, and there will be brokerage commissions associated with buying and selling exchange traded funds. ETFs may trade for less than their net asset value.

Investors should consider an ETF's investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information, is available from your Financial Advisor and should be read carefully before investing.

Diversification does not ensure a profit and may not protect against loss in declining markets. Investors should refer to the individual ETF prospectus for a more detailed discussion of the specific risks and considerations for an individual ETF. ETFs may have underlying investment strategy risks similar to investing in commodities, bonds, real estate, international markets or currencies, emerging growth companies, or specific sectors. When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. Due to their narrow focus, sector-based investments typically exhibit greater volatility. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance. The risk of loss in trading commodities and futures can be substantial. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. You should therefore carefully consider whether such trading in ETFs is suitable for you in light of your financial condition.

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