STANDPOINT

BLNDX Q&A 2025

Standpoint Multi-Asset Fund – BLNDX

The Standpoint Multi-Asset Fund utilizes a global "all-weather" strategy to invest in commodities, currencies, equities, and fixed income seeking positive absolute returns. Our rules-based process was designed to deliver stable returns in a wide range of market environments.

The Multi-Asset Fund is Standpoint's sole product. It is a traditional mutual fund with over $1 billion in assets under management, a 1.26% net expense ratio, and five years of live performance as of December. The fund has daily liquidity and can be purchased using the ticker BLNDX in most brokerage accounts just like any other ETF, mutual fund, or stock.

- **Established Track Record:** 5-year history with over $1 billion in assets under management.
- **Strong Performance:** Positive annual returns every year since inception with an 11.6% annualized return.
- **Diversification:** Beta of 0.3 to the S&P 500, providing low correlation to traditional markets.
- **Lower Volatility:** 9.6% volatility since inception - lower than the S&P 500 and a 60/40 portfolio.

Data as of 12/31/2024

What has changed as we've grown?

As we enter our sixth year, we are often asked if significant changes have been necessary as the Fund has grown. The answer is no. From the beginning, we invested significant time and effort into designing both the product and the company to be highly scalable. Our goal was to build a structure that would allow us to maintain our core team, strategy, and daily processes while scaling the fund to $20 billion.

Is multi-strategy the appropriate category?

When we designed this fund, our objective was clear: maximize diversification while taking calculated risks to achieve healthy returns, all while maintaining reasonable tax efficiency. We achieved this by integrating multiple strategies, asset classes, and sectors.

Advisors we've spoken with generally view multi-strategy funds as a way to generate a less cyclical return stream due to the inherent diversification of multiple investment approaches. Our strategy embraces this principle by diversifying globally across equities, bonds, currencies, and commodities. The goal is to deliver the potential for a more stable return profile with lower volatility and fewer drawdowns—key attributes of a well-executed multi-strategy approach.

Given periods of both strong and weak performance compared to traditional assets, why do you remain confident in this investment approach?

Every investment decision involves trade-offs, and 2024 was no exception. While we delivered a 13.15% return, the S&P 500 nearly doubled that performance. We expect to see periods of underperformance of the strategy when the market is outperforming, as its built for long-term compounding in the low double digits with lower risk, volatility, and drawdowns.

Over time, our approach has the potential to outperform many seemingly higher-returning strategies that experience sharp declines in challenging years. The key is consistency—our focus remains on seeking to generate strong, risk-adjusted returns rather than chasing benchmarks in any given year.

We are not in the business of predicting markets, nor are we complacent about risks. Investors rely on us to navigate a variety of market environments, and that remains our priority.

WHY IS AN ALL-WEATHER APPROACH IMPORTANT NOW?

THREAT OF SEVERE OR PROLONGED EQUITY MARKET DECLINES	POTENTIAL FOR INFLATIONARY PERIODS LIKE THE 1910s, 1940s, AND 1970s
NEGATIVE REAL RETURNS FROM BONDS DUE TO LOW INTEREST RATES	MANY ALTERNATIVES ARE EXPOSED TO THE SAME RISKS AS EQUITIES AND BONDS

Why are advisors using the fund?

Advisors allocate to our fund for the same reasons we envisioned when designing it six years ago. The fund has offered a strong annualized return—11.6% as of 12/31/2024—while enhancing diversification across multiple asset classes, resulting in relatively low volatility.

As of 12/31/2024, our annualized volatility was 9%, and our worst peak-to-trough decline on an end-of-day basis was under 10%. In contrast, traditional portfolios, such as the S&P500 or 60/40 allocation have seen declines of 20% to 35% in adverse conditions.

Ultimately, our fund has delivered higher annualized returns with lower volatility and downside risk compared to a 60/40 portfolio. This aligns with our original goal—to provide a smoother investment experience by diversifying across equities, bonds, commodities, and currencies. With reasonable fees and tax efficiency, it's clear why financial advisors find our approach valuable.

Why is a low beta investment valuable?

Investors seek lower-beta investments that offer annualized returns comparable to equities—typically 8% to 10%—because they help smooth portfolio performance over time. By incorporating these types of investments, long-term returns remain competitive, but drawdowns and volatility are reduced.

This stability is critical because history shows that many investors panic and sell during market downturns, often at the worst possible times. While some believe market timing can mitigate this risk, we disagree. Instead, we believe a diversified portfolio—spanning multiple assets, sectors, and strategies—can achieve a similar or superior return profile with less risk.

What are the advantages of an expanded opportunity set?

A broad investment universe provides both flexibility and the ability to capitalize on emerging opportunities before they become mainstream. Markets are constantly evolving—whether due to new political administrations, economic policies, technological advancements, or global events. Predictions often miss the mark, and by the time consensus forms, those opportunities may already be priced in.

Our approach is grounded in empirical research. History shows that different economic environments require different exposures—at times, commodities have been essential for generating returns; in other periods, financial assets like equities and bonds were dominant. Maintaining a broad opportunity set and a disciplined risk management framework allows us to adapt to shifting market conditions, during both periods of outperformance and underperformance.

INVESTMENT UNIVERSE

FIXED INCOME

- 10-Year Australian Govt Bond
- 3-Year Australian Govt Bond
- 5-Year U.S. T-Note
- 2-Year U.S. T-Note
- 10-Year U.S. T-Note
- Schatz
- Euro German Bobl
- Euro German Bund
- Long Gilt
- Canada 10-Year Govt Bond
- 10-Year Japanese Govt Bond
- Long-Term Italian Govt Bond
- Euro-OAT
- Euro Buxl
- U.S. T-Bond
- Ultra 10-Year U.S. T-Note
- Ultra T-Bond
- Eurodollar
- 3-Month EURIBOR
- Canadian Bankers Acceptance
- 3-Month Euro Swiss Franc
- 3-Month Sterling

EQUITIES

- Diversified universe of global equity
- ETFs
- e-mini S&P 500 Index
- Euro STOXX 50 Index
- FTSE 100 Index
- Topix
- Hang Seng Index
- Nikkei 225 Index
- S&P Canada 60
- MSCI Singapore
- CBOE Volatility Index
- SPI 200 Index

CURRENCIES

- British Pound
- United States Dollar
- Canadian Dollar
- Euro
- Japanese Yen
- Mexican Peso
- Australian Dollar
- New Zealand Dollar
- Swiss Franc

INDUSTRIAL COMMODITIES

- Gold
- Copper (COMEX)
- Aluminum
- Nickel
- Copper (LME)
- Zinc
- Platinum
- Silver
- WTI Crude Oil
- Brent Crude
- ECX EUA Emissions
- Gas Oil
- Crude Oil
- NY Harbor ULSD
- Henry Hub Natural Gas
- Gasoline RBOB

AGRICULTURAL COMMODITIES

- Soybean Oil
- Corn
- Soybeans
- Soybean Meal
- Wheat
- Milling Wheat
- KC Wheat
- Canola
- Feeder Cattle
- Live Cattle
- Lean Hogs
- Cocoa
- Coffee
- Sugar #11
- Cotton #2
- Robusta Coffee
- London Cocoa
- White Sugar (#5)

Do you believe in the concept of diworsification?

This concept of diworsification generally stems from the tendency to sell stocks out of fear during a downturn and then buy low-volatility assets or alternatives that tend to underperform during a recovery. That's not the case here. If I could find more independent and uncorrelated markets with sufficient directional volatility, I would add them into the portfolio. The goal is simple: more uncorrelated trends may lead to higher risk adjusted returns.

How would you summarize why this fund is valuable in 30 seconds or less?

This fund is valuable because it has the ability to offer everything you'd want from an alternative investment: low beta, competitive returns, small drawdowns, and it's easily accessible in a traditional mutual fund format.

IMPORTANT RISK INFORMATION

Performance data shown represents past performance and is not a guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information please call (866) 738-1128.

Investing involves risk, including loss of principal. There is no guarantee that the fund will achieve its investment objective. Diversification does not guarantee a profit or protect against a loss.

STANDARDIZED PERFORMANCE

	Year to Date	1-Year	5-Year	Since Inception
BLNDX	-4.54%	-5.80%	11.22%	10.06%
REMIX	-4.63%	-5.97%	10.94%	9.79%
ICE BofA US Treasury Bill Index	1.03%	5.04%	2.55%	2.56%
50% MSCI World Index & 50% BAML 3-Month Index	-0.33%	6.25%	10.06%	6.93%

As of 03/31/2025

Inception Date: December 30, 2019

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Investing in underlying investment companies, including money market funds and ETFs, exposes the Fund to the investment performance (positive or negative) and risks of the investment companies. ETFs are subject to additional risks, including the risk that an ETFs shares may trade at a market price that is above or below its NAV. The Fund will indirectly bear a portion of the fees and expenses of the underlying fund in which it invests, which are in addition to the Fund's own direct fees and expenses.

Investment in the Fund carries certain risks. The fund will invest a percentage of its assets in derivatives, such as futures and commodities. The use of such derivatives and the resulting high portfolio turnover may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives. The Fund may experience losses that exceed those experienced by funds that do not use futures contracts. The successful use of futures contracts draws upon the Adviser's skill and experience with respect to such instruments and are subject to special risk considerations. The primary risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the Fund and the price of the forward or futures contract; (b) possible lack of a liquid secondary market for a forward or futures contract and the resulting inability to close a forward or futures contract when desired;(c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the Adviser's inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities from its portfolio to meet daily variation margin requirements, and the Fund may have to sell securities at a time when it may be disadvantageous to do so.

Foreign investing involves risks not typically associated with US investments, including adverse fluctuations in foreign currency values, adverse political, social, and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards.

The **BAML 3-Month Index** tracks the performance of the U.S. dollar denominated U.S. Treasury Bills publicly issued in the U.S. domestic market with a remaining term to final maturity of less than 3 months. Global equities are represented by the **MSCI World Total Return Index** which captures large and mid-cap representation across 23 Developed Markets countries. Comparisons to indexes have limitations because the results do not represent actual trading. It is not possible to invest directly in an index. Unmanaged index returns do not reflect any fees or expenses associated with the active management of an actual portfolio. Index performance is shown for illustrative purposes only and will change over time.

Definitions:

Annualized Volatility is the annualized statistical measure of the dispersion of returns for a given investment. **Beta** is a measure of an investment's sensitivity to market movements. **Max Drawdown** is the peak-to-trough decline during a specific period. **Sharpe** is the ratio which measures risk-adjusted performance.

Investors should carefully consider the investment objectives, risk, charges, and expenses of the Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling (866) 738-1128 or at standpointfunds.com. The prospectus should be read carefully before investing. The Standpoint Multi-Asset Fund is distributed by Ultimus Fund Distributors, LLC.