



Asbury Research

A Look Into 2025 With Asbury Research

Prepared for Fidelity Investments

January 28th, 2025



About Asbury Research

Who We Are

John Kosar, CMT, Chief Market Strategist

John has more than 40 years of experience studying, analyzing, and forecasting global financial markets. Asbury Research provides data-driven technical and quantitative investment research to professional and private investors. John began his career in 1980 on the Chicago Mercantile Exchange trading floor and spent the next 17 years there, acquiring a practical, real-world education on how the US financial markets work from the inside out. This experience, early in his career, became the foundation for his unique analytical approach and understanding of what really drives financial asset prices.

John is a contributor to **Forbes** and **StockCharts.com** and is frequently quoted by US and global financial news organizations including **The Wall Street Journal**, **Investors Business Daily**, **MarketWatch.com**, **Barron's**, **Yahoo! Finance**, and **Reuters**. John also regularly appears on financial television, including **CNBC**, **Fox Business**, and **Bloomberg**, and is a frequent speaker at financial events across the country presented by organizations including the **Chartered Financial Analyst (CFA) Society**, the **National Association of Active Investment Managers (NAAIM)**, the **CMT (Chartered Market Technician) Association**, and the **American Association of Individual Investors (AAII)**.

John was awarded the Chartered Market Technician (CMT) designation in 1999, served as Vice President of the CMT Association from 2004 to 2006, and was a member of its Board of Directors from 2002 to 2006. Previously, John was a trader, analyst, and strategist for several top global investment firms including Shearson American Express, NatWest Markets, Greenwich Capital Markets, and Deutsche Bank.

About Asbury Research

What We Do

We utilize decades of investment experience and our own **quantitative models** to provide active investors with **forward-looking, actionable market intelligence and specific trading / investment ideas.**

Our approach is purely data driven and focused on “following the money” and the performance it fuels via our own proprietary quantitative models and methodologies. This fact-based approach is much more influential to asset price performance than the opinion, market chatter, and Wall Street talking points that we read and hear about every day in the financial media.

Our metrics and methodology help our subscribers become more successful investors by identifying:

- **when it's time to be aggressive and fully invested (Risk On),**
- **when it's time to be defensive and protecting capital (Risk Off),**
- **what specific sectors and industry groups to buy, and when**
- **which ETFs are attracting investor assets and outperforming the broad market**
- **where the best Strategic opportunities in global stock markets are**

About Asbury Research

How We Do It: Data-Driven Investing

Domestic

- The Asbury 6 Model (A6) to determine **Tactical Market Health**
- The Correction Protection Model (CPM) for **Dynamic Stock/Bond Allocation**
- The CPM Ultra Model (CPMU) for **Leveraged Dynamic Stock/Bond Allocation**
- The SEAF (Sector ETF Asset Flows) **Model** for **Data Driven Sector Rotation**
- The SEAF Ultra (Sector ETF Asset Flows) **Model** for **Sector Rotation With Intelligent Leverage**

Global

- The SORT Report Model for **Global Multi-Asset Allocation**
- The US vs. The World Model for **Global Equity Allocation**

Model Portfolios

- Asbury Advanced for **Aggressive Capital Growth**
- Asbury Balanced for **Moderate Capital Growth**
- Asbury Conservative for **Modest Capital Growth**
- Asbury Ultra Conservative for **Max Drawdown Less Than 10%**

A Review Of Our July 10th 2024 Midyear Investment Outlook for Fidelity Investments

- **U.S. Stock Market:** I said the market was historically over-extended and vulnerable according to price momentum and investor sentiment, and that the seasonal trend turned decidedly negative in August/September. Bigger picture, though, I said most of our Strategic (quarterly) metrics remained positive/bullish.

The benchmark S&P 500 (SPX) peaked a week later, on July 16th, and then declined by 10.0% into the August 5th low before rising by 19.0% into year end.

- **Sector Selection/Rotation:** I said the **SEAF Model** showed aggressive asset inflows into **Financials (XLF)** and **Consumer Discretionary (XLY)**.

Since then (6 months later) XLF and XLY have risen by 14.6% and 19.7% respectively, while the S&P 500 (SPY) has risen by 7.3%.

Asbury Research's 2025 Investment Outlook

1) Executive Summary: January 28th, 2025

- **U.S. Stock Market:** The US stock market is at a **Tactical (monthly) decision point** as a number of key indexes (SPX, NDX, RUT) and influential stocks (NVDA, AAPL, MSFT, TSLA) are all testing important underlying support levels. Meanwhile, our **Asbury 6 Model** is Positive but *at an important Tactical decision point*.

Strategically (quarterly), market-leading Semiconductors (SOX) are breaking their 2023 major uptrend while underperforming the S&P 500. In addition, NVIDIA and Apple are also underperforming SPX, while the Dow 30 (DJIA) is *outperforming* SPX – which is typically a *defensive* move by the market. Finally, investor sentiment metrics are indicating investors are historically too bullish, all while **the S&P 500 has very atypically risen by an incredible 75% in just a little more than two years**.

Combined, these metrics warn that **if the broad market can't quickly recover from Monday's AI/Deepseek-driven collapse, it will be vulnerable to a potentially much larger and more destructive decline**.

Asbury Research's 2025 Investment Outlook

2) Executive Summary: January 28th, 2025

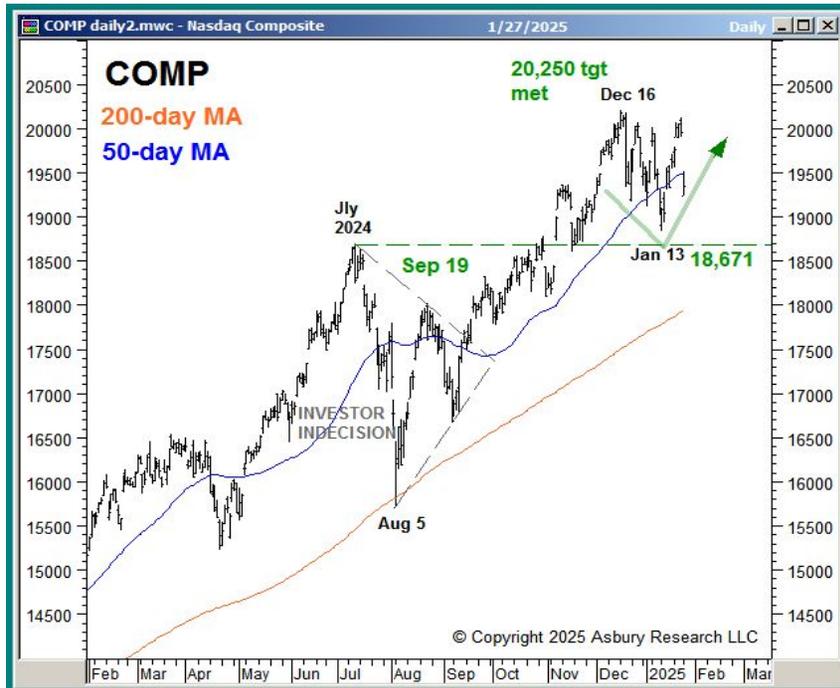
- **Size and Style: Large Cap's** October 2024 trend of Strategic relative outperformance versus the S&P 1500 remains intact but is being tested. **Quarterly decision point.**
- **Global Relative Performance:** Five of the 25 global equity indexes represented in our **US vs The World Model** are currently outperforming the S&P 500 on a Tactical (monthly) and Strategic (quarterly) basis. Four of them -- Italy, Germany, France, and Eurozone -- are from the Western Europe Region. **These data suggest some near-term, emerging interest in moving equity exposure away from the US and into Western Europe.**
- **Sector Selection/Rotation:** The **SEAF Model** currently shows aggressive asset inflows into **Industrials (XLI)**, **Financials (XLF)**, and **Communication Services (XLC)** with assets aggressively leaving **Energy (XLE)** and **Health Care (XLV)**.

US Stock Market

Price & Trend (1): Semis Weakening, COMP Testing Support



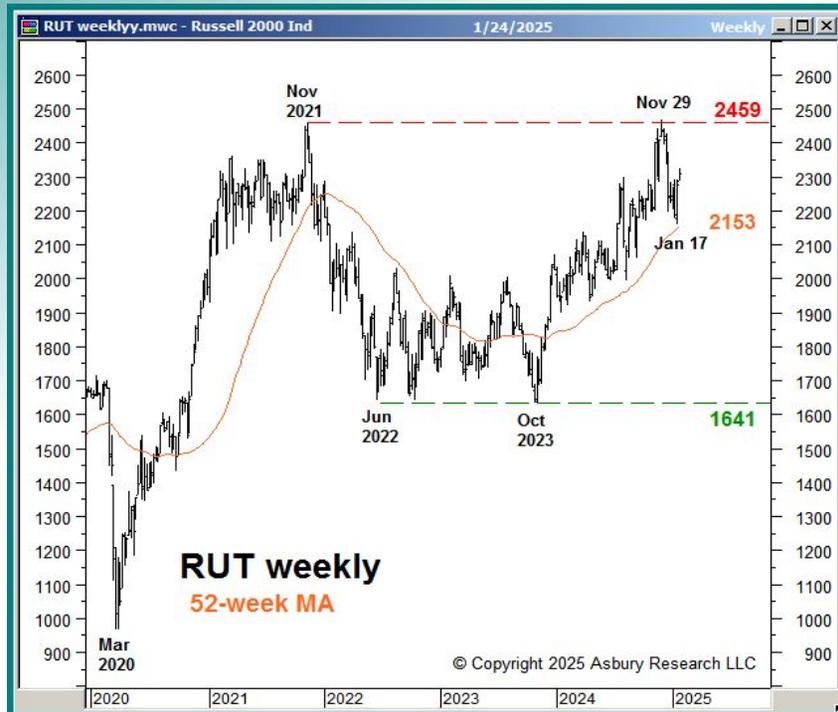
The market-leading PHLX Semiconductor Index failed at 5445 resistance on Jan 22nd before crashing through its 200-day MA on Monday. **Turning strategically negative?**



The NASDAQ Composite, another market leader, has recently tested and aggressively rebounded from formidable underlying support at 18,671. **Strategic decision point.**

US Stock Market

Price & Trend (2): Small Caps, NYSE Testing & Holding Major Uptrends



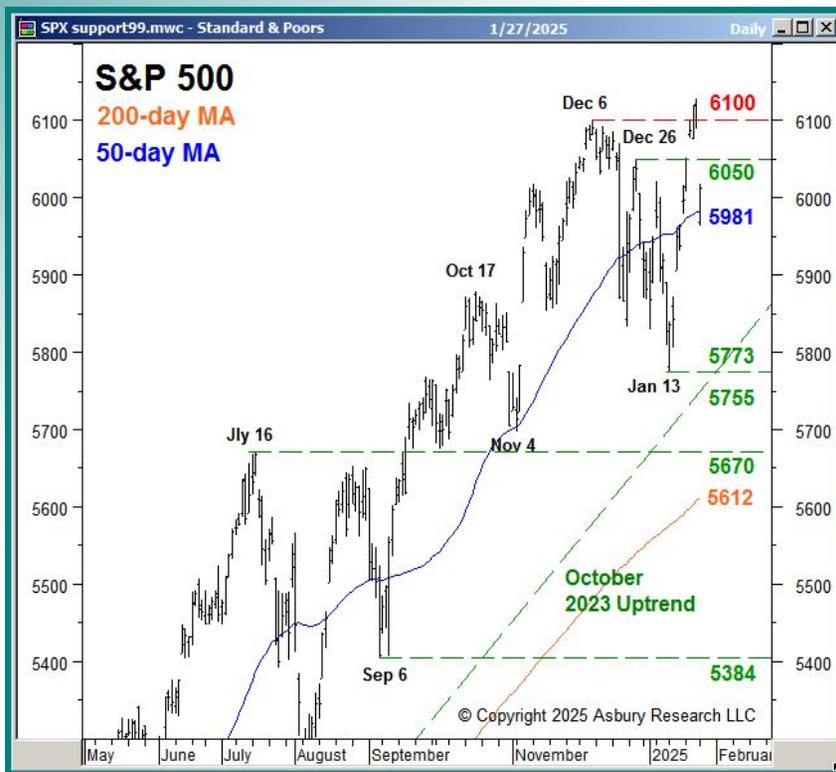
The Russell 2000 is testing and thus far is holding its 2024 major uptrend at 2153. Major resistance is 7% above the market at 2459. **Strategic decision point.**



The defensive NYSE Composite has recently tested major support at 18,850-18,799 and is now aggressively resuming its Nov 2023 major uptrend. **Another strategic decision point.**

US Stock Market

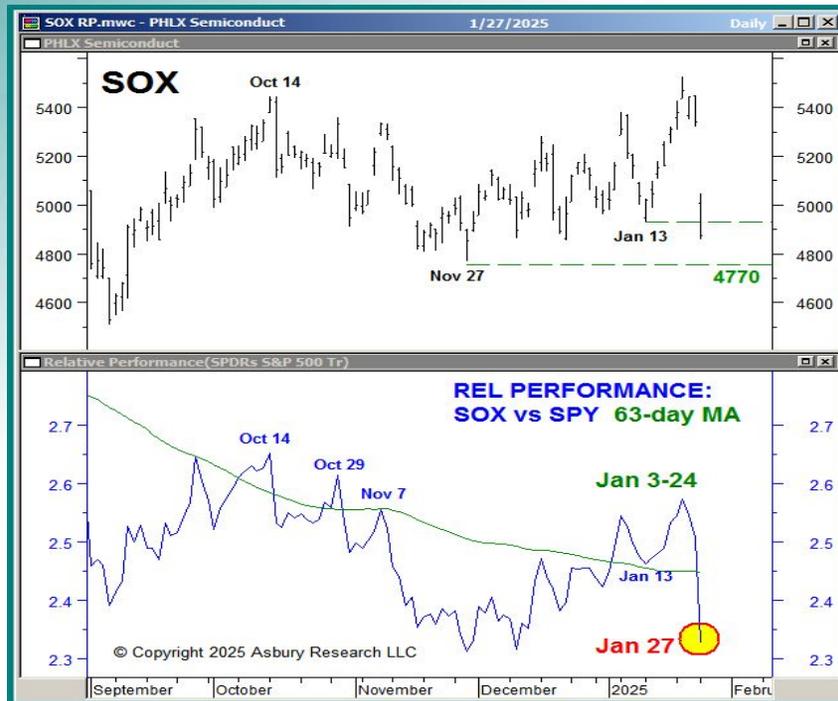
Price & Trend (3): The US Broad Market Has Risen By 75% In 27 Months!



The benchmark S&P 500 is testing minor support at 5981. SPX has risen by an incredible 75% over the past 27 months and by 48% in just the past 15 months. SPX previously rose by 68% between October 1998 and March 2000 before declining by 50% into the October 2002 low. **It took the market 2 years to recoup that decline.** 9

US Stock Market

Relative Performance (1): Semis Underperforming, Watch Large Cap Tech



The PHLX Semiconductor Index appears to be resuming its July 2024 trend of quarterly relative underperformance vs. the 500. **Strategically bearish.**



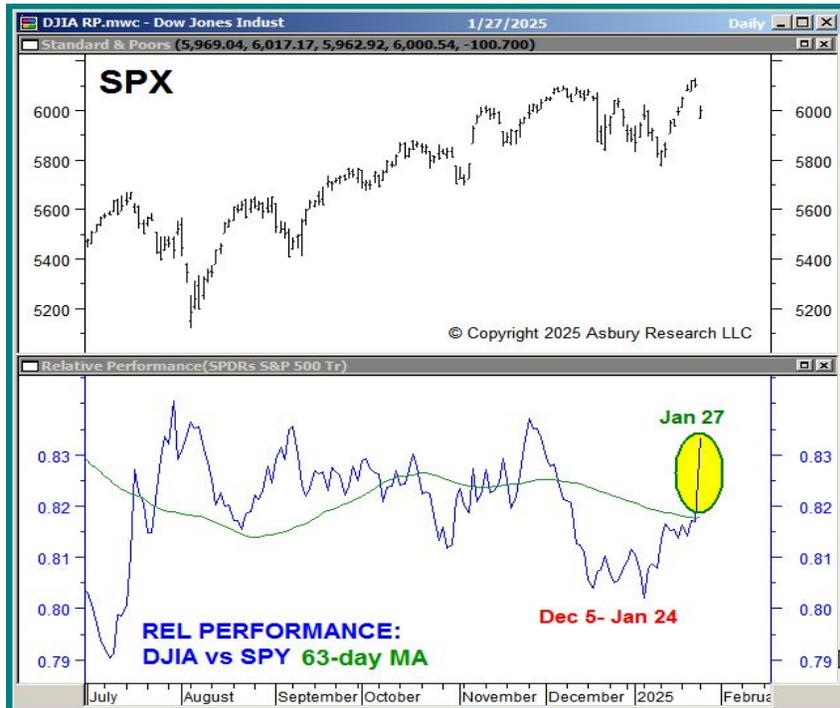
The NASDAQ 100 is testing its Dec 2nd trend of Strategic relative outperformance versus SPY *and could be reversing.* **Strategic decision point.**

US Stock Market

Relative Performance (2): Small Cap Underperforming, Defensive Blue Chips Outperforming



The iShares Russell 2000 ETF is testing and holding its December 2023 major uptrend, but has been underperforming SPY since Dec 13th. **Avoid small cap for now.**



The Defensive Dow 30 is beginning a new quarterly trend of relative outperformance versus SPY. **Outperformance by DJIA typically occurs during market declines.**

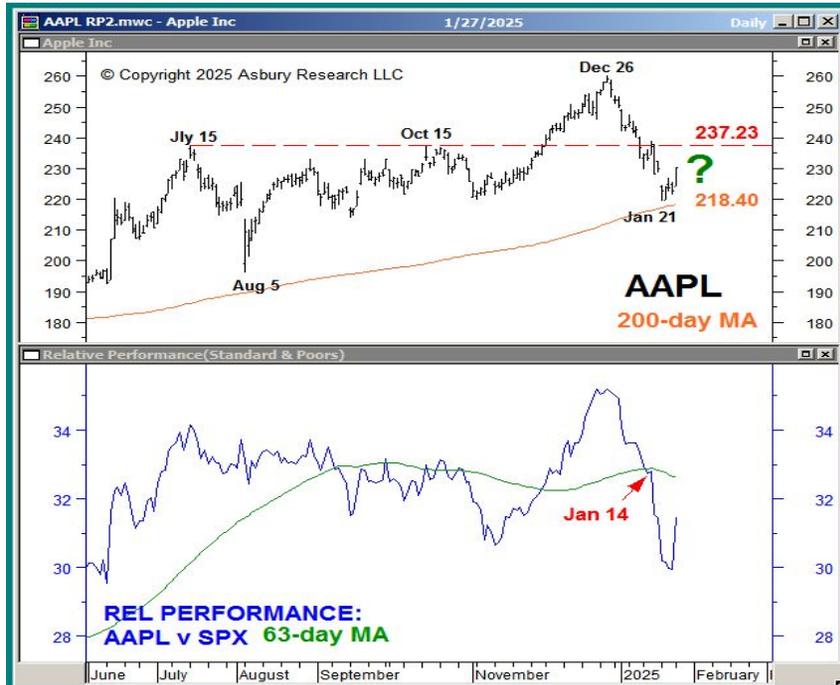
US Stock Market

Key Stocks: MegaCap Leaders NVDA, AAPL Are Both Underperforming



Market-leading NVIDIA, #1 in market cap, has for months been struggling to remain above its June 2024 highs and is now underperforming SPY.

Strategically bearish for the broad market.



Apple, #2 in market cap, is testing major support at 218.40 after failing to hold its Dec 3rd new all-time highs. AAPL is also

underperforming SPX on a quarterly basis ***Strategically bearish for the broad market.***

The Asbury 6: Tactical Market Health Check

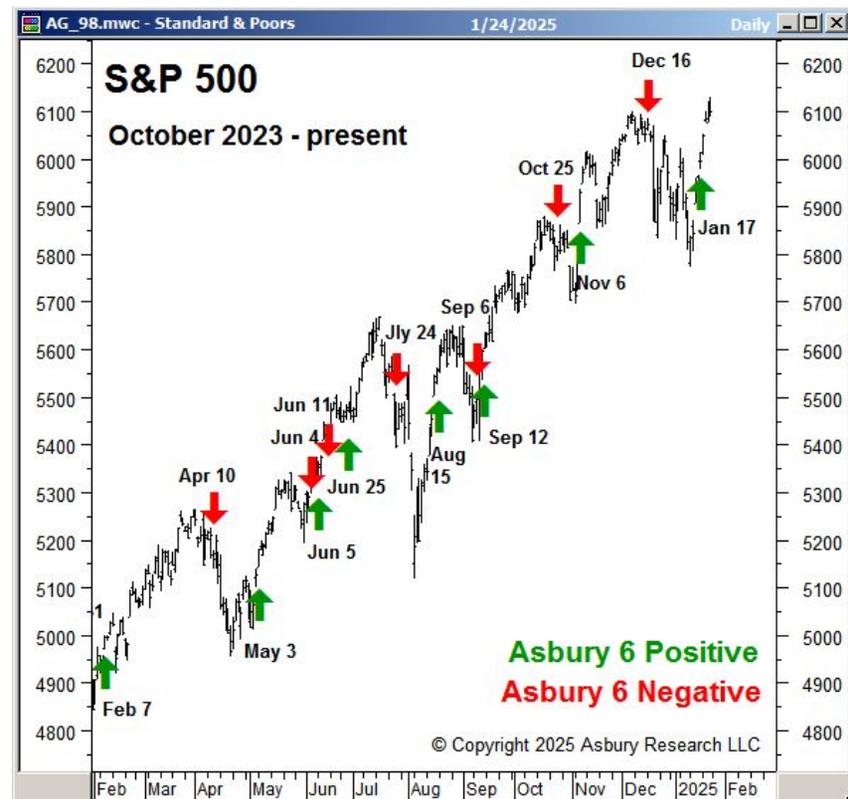
Measuring The Stock Market's Internal Health

The Asbury 6:

- Monthly rate of change in the S&P 500
- Relative performance of equity prices versus high yield bond prices
 - Investor asset flows
 - Volatility
 - Trading volume
 - Market breadth

The “A6” has been a relative performer versus S&P 500 since 2017 but with a 13.6% maximum drawdown versus 33.9% for SPX

“A6” Signals Since February 2024



The Asbury 6: Tactical Market Health Check

Positive Since January 17th But At Directional Decision Point

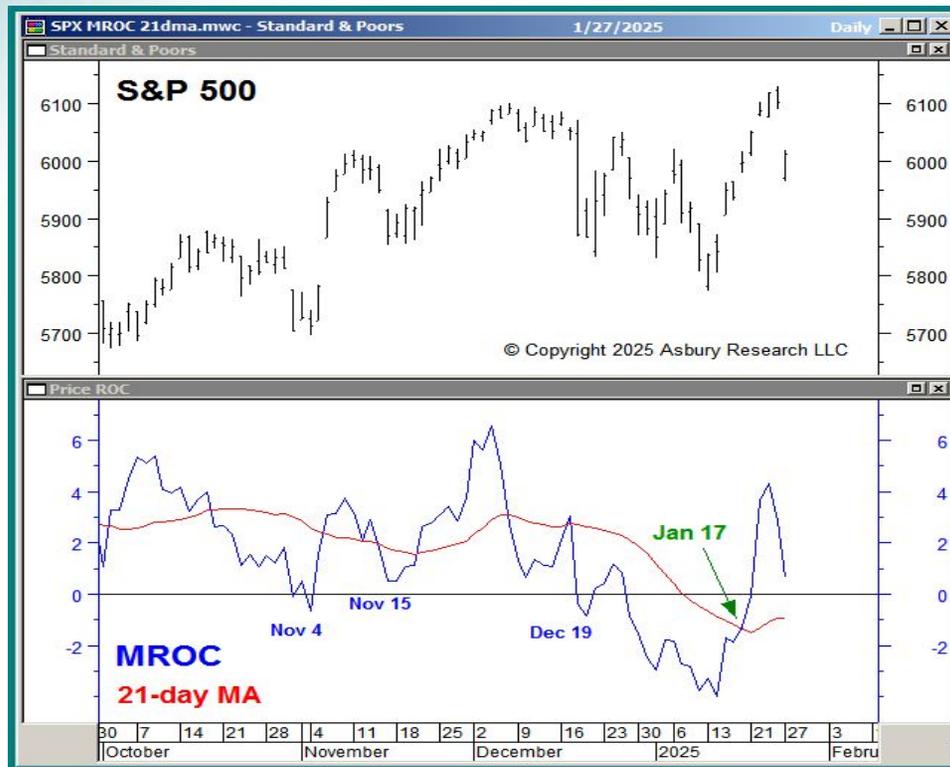
"ASBURY 6" INTERNAL MARKET METRICS through 1/27/2025		
METRIC	POSITIVE AS OF:	NEGATIVE AS OF:
Rate Of Change: S&P 500	1/17/2025	
Rel Performance: Stocks v HiYld Bonds		1/27/2025
Investor Asset Flows: SPY		1/27/2025
Volatility: VIX		1/27/2025
Trading Volume: SPX	1/14/2025	
Market Breadth: NYSE	1/15/2025	
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Four or more metrics in one direction, either Positive (green) or Negative (red), indicate a tactical bias.

When all Asbury 6 are positive, market internals are the most conducive to adding risk to portfolios. Each negative reading adds an additional element of risk to participating in existing or new investment ideas.

The Asbury 6: Tactical Market Health Check

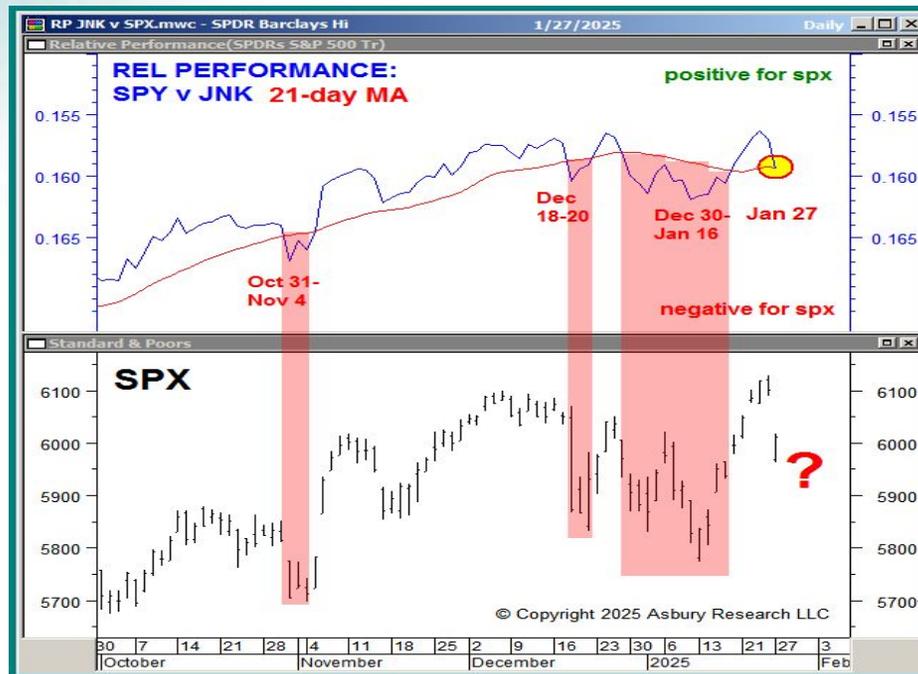
Momentum: Near Term Positive.



SPX's 1-month rate of change (MROC) moved above its 21-day MA on Jan 17th to turn Tactical (monthly) trend momentum Positive. Note that MROC also moved back above its zero line to further indicate strengthening price momentum.

The Asbury 6: Tactical Market Health Check

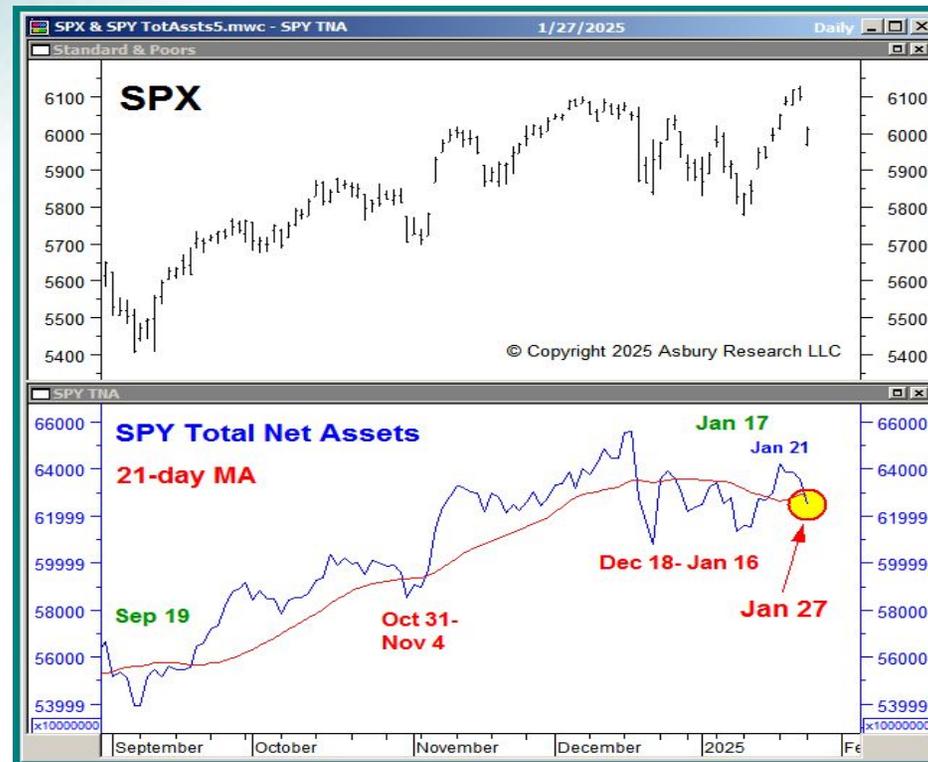
Relative Performance: Near Term Negative.



The daily relative performance line between the S&P 500 (SPY, stocks) and the SPDR Bloomberg Barclays High Yield Bond ETF (JNK, bonds) edged below its 21-day MA on Jan 27th, suggesting an emerging new *trend of monthly relative underperformance* by stocks. *Relative underperformance by stocks is characteristic of Tactical market declines.*

The Asbury 6: Tactical Market Health Check

ETF Asset Flows: Near Term Negative.



The total net assets invested in the SPDR S&P 500 ETF (AUM) edged back below above their 21-day MA on Jan 27th, indicating the mid-December trend of monthly asset contraction may be resuming. *Contracting assets is characteristic of Tactical broad market declines.*

The Asbury 6: Tactical Market Health Check

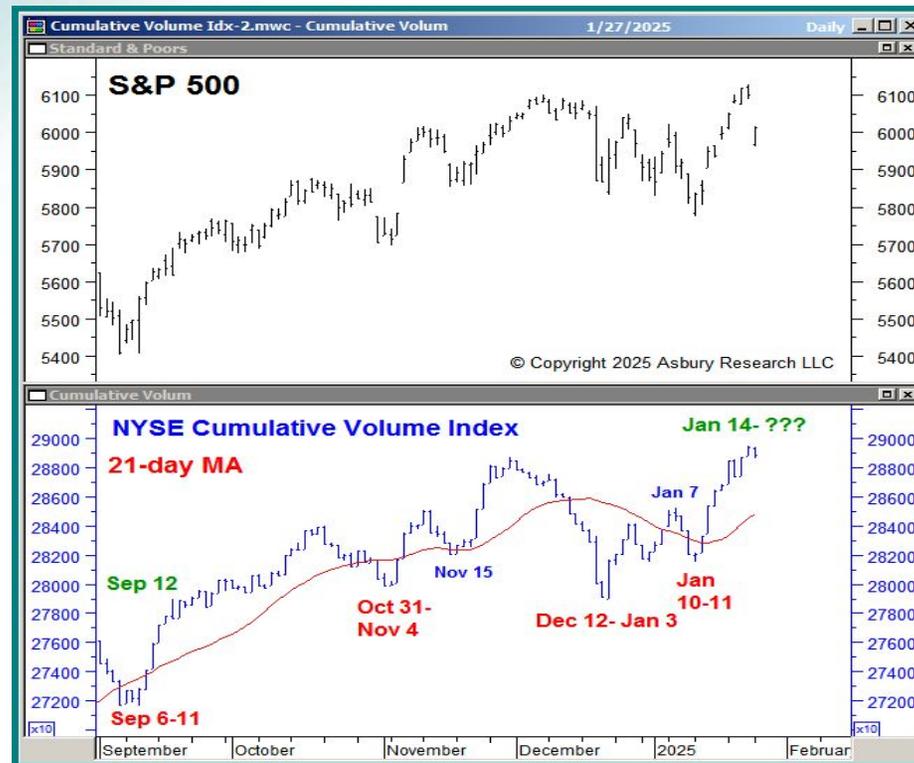
Volatility: Near Term Negative.



The CBOE Volatility Index jumped back above its 21-day moving average on Jan 27th to indicate an *emerging monthly trend of increasing investor fear* that is characteristic of Tactical stock market declines.

The Asbury 6: Tactical Market Health Check

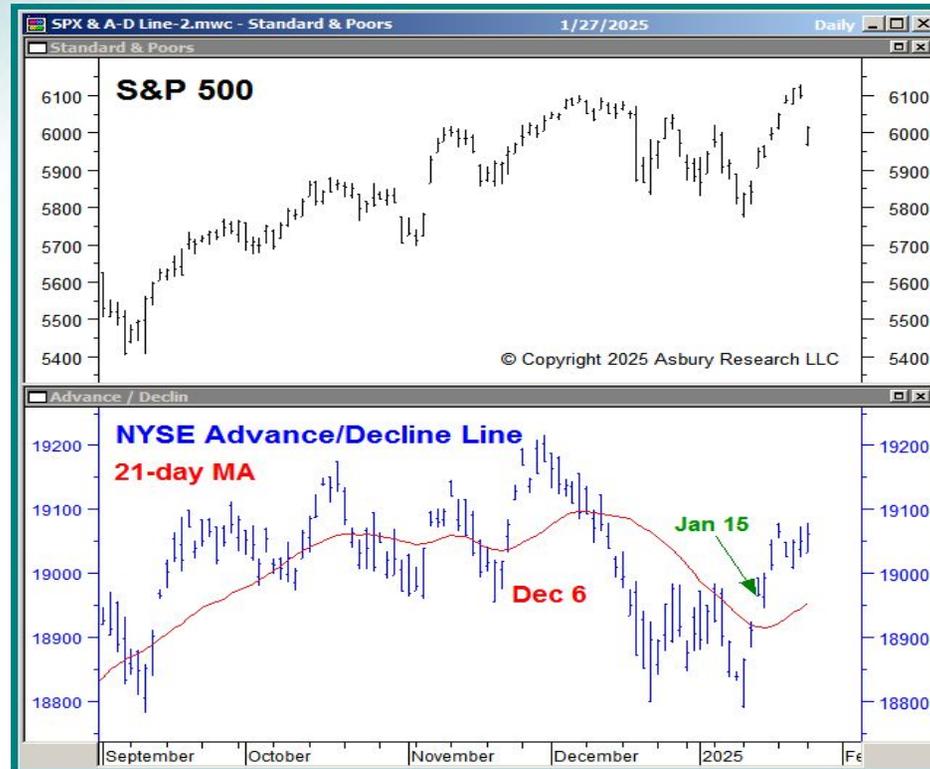
Volume: Near Term Positive.



The NYSE Cumulative Volume Index (CVI) moved back above its 21-day MA on Jan 14th, indicating a resumption of the September 2024 monthly trend of *increasing urgency to buy* that is characteristic of Tactical broad market advances.

The Asbury 6: Tactical Market Health Check

Market Breadth: Near Term Positive.



The NYSE Composite's A/D line moved above its 21-day MA on Jan 15th to indicate a monthly trend of *strengthening market breadth* that is characteristic of Tactical broad market advances.

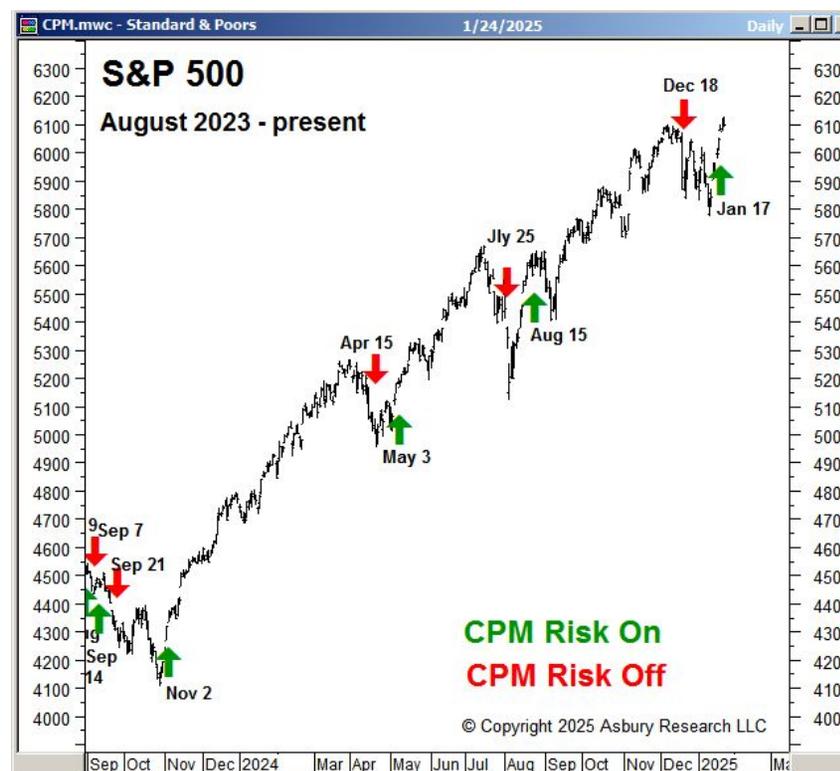
Correction Protection Model (CPM)

Dynamic Stock/Bond Allocation: "Risk On" As Of January 17th

About CPM

- CPM® is a completely data-driven, dynamic stocks/bonds allocation model.
- Designed to **protect investor assets** during market declines, **eliminate large drawdowns**, and **reduce volatility** in portfolios by moving assets out of the market during adverse conditions.
- CPM was designed to be a **wealth preservation tool**. To “play the game with less risk”.
- **CPM is binary**: either Risk On (in the S&P 500) or Risk Off (in cash or in BIL).

CPM Since September 2023



Correction Protection Model (CPM)

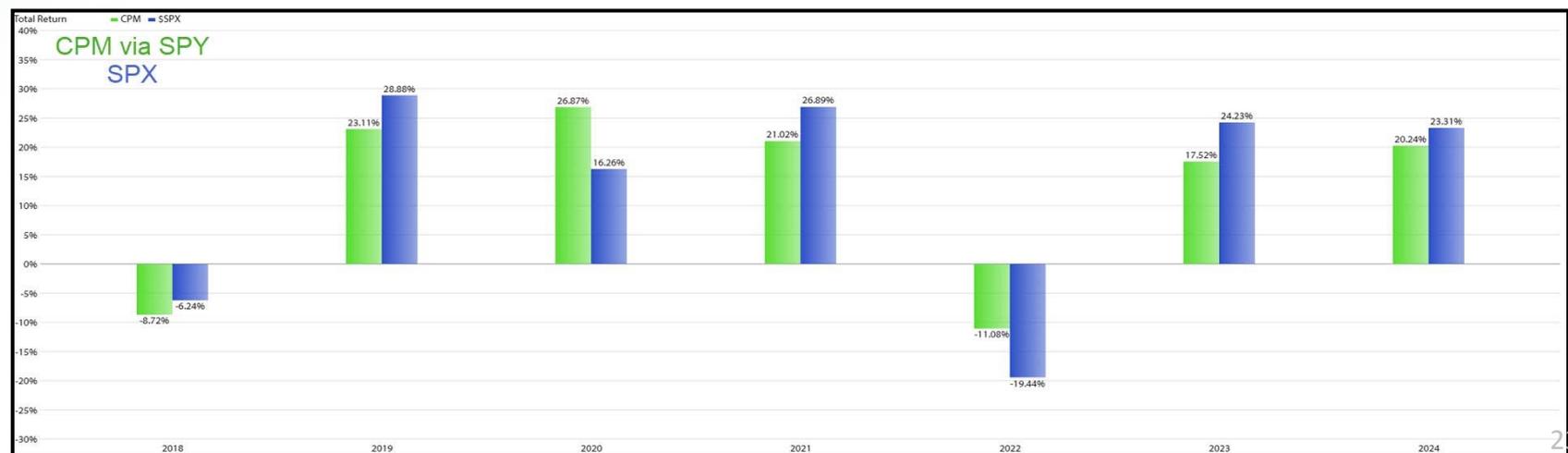
A Dynamic Stock/Bond Portfolio

Additional CPM Features

- CPM averages less than **5 round turns per year**.
- **No short positions or derivatives** (options, futures, etc.) trading.
- CPM's [annualized total return](#) is essentially identical to the S&P 500 (SPX) but with **significantly lower risk** than SPX (according to [standard deviation](#), [beta](#), [maximum drawdown](#)).
- CPM has **better risk-adjusted returns** than the S&P 500 (according to [Sharpe Ratio](#), [Sortino Ratio](#)).
- CPM can become an **alpha-generating model** by using leverage (**CPM Ultra Model**).

Correction Protection Model (CPM)

CPM As A Defensive Strategy: Since Inception (Q4 2017)



Correction Protection Model (CPM)

CPM As A Defensive Strategy: Risk Metrics

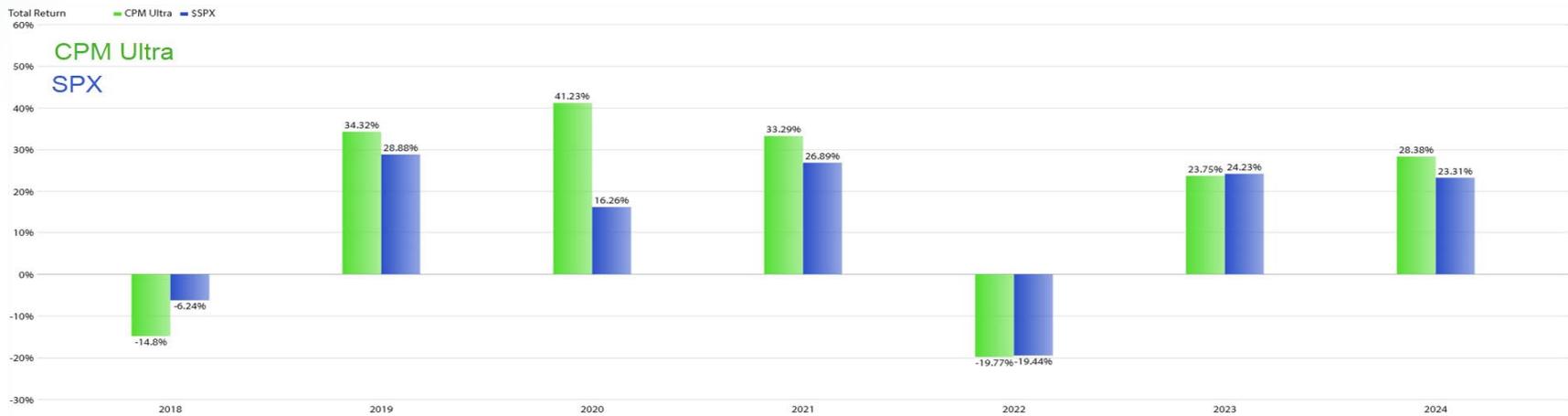
Risk metrics		01/01/24-12/31/24	01/01/22-12/31/24	01/01/20-12/31/24	09/29/17-12/31/24
Risk (standard deviation)					
■ CPM		9.9%	13.2%	12.6%	12.1%
■ S&PX		10.6%	17.4%	18.2%	16.9%
Alpha					
■ CPM		-2%	0.6%	4.2%	2.5%
■ S&PX		-1.3%	-1.5%	-1.6%	-1.7%
Beta					
■ CPM		0.89	0.65	0.58	0.61
■ S&PX		0.99	1.00	1.00	1.00
Sharpe ratio					
■ CPM		1.42	0.35	0.92	0.83
■ S&PX		1.58	0.27	0.62	0.65
Sortino ratio					
■ CPM		3.09	0.63	1.82	1.54
■ S&PX		3.22	0.46	1.09	1.11
Maximum drawdown					
■ CPM		-5.8%	-20.2%	-20.2%	-20.2%
■ S&PX		-8.5%	-25.4%	-33.9%	-33.9%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

“Playing the game with less risk”

CPM (Correction Protection Model) Ultra

CPM As An Offensive Strategy: Corresponding Charts



CPM (Correction Protection Model) Ultra

CPM As An Offensive Strategy: Quantitative Metrics

Risk metrics	01/01/24-12/31/24	01/01/22-12/31/24	01/01/20-12/31/24	09/29/17-12/31/24
Risk (standard deviation)				
CPM Ultra	15.1%	19.3%	19.4%	18.8%
\$SPX	10.6%	17.4%	18.2%	16.9%
Alpha				
CPM Ultra	-4.1%	0.1%	5.6%	3%
\$SPX	-1.3%	-1.5%	-1.6%	-1.7%
Beta				
CPM Ultra	1.35	0.95	0.89	0.94
\$SPX	0.99	1.00	1.00	1.00
Sharpe ratio				
CPM Ultra	1.35	0.31	0.87	0.79
\$SPX	1.58	0.27	0.62	0.65
Sortino ratio				
CPM Ultra	2.91	0.56	1.71	1.46
\$SPX	3.22	0.46	1.09	1.11
Maximum drawdown				
CPM Ultra	-9.2%	-28.9%	-30.6%	-31%
\$SPX	-8.5%	-25.4%	-33.9%	-33.9%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

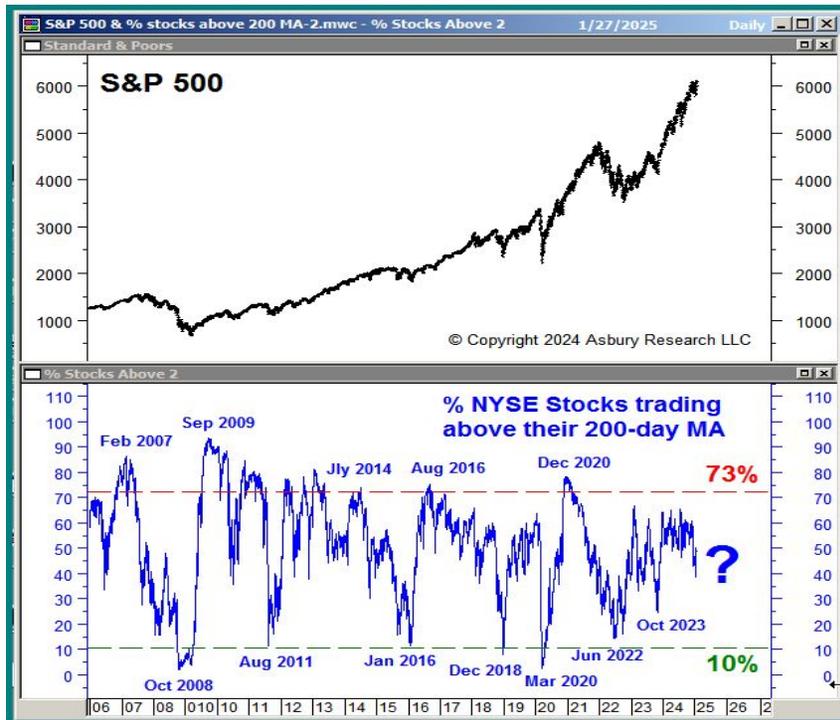
“S&P 500-like risk with better performance”

US Stock Market

Market Breadth: Near Term Positive, Intermediate Term Neutral



The percentage of NYSE stocks trading above their 40-day MA is rising from a December weak extreme that previously coincided with the past 3 Tactical bottoms in the S&P 500.



The percentage of NYSE stocks trading above their 200-day MA is situated right in the middle of quarterly high and low extremes to suggest a neutral Strategic bias.

US Stock Market

Investor Sentiment: Near To Intermediate Term Negative



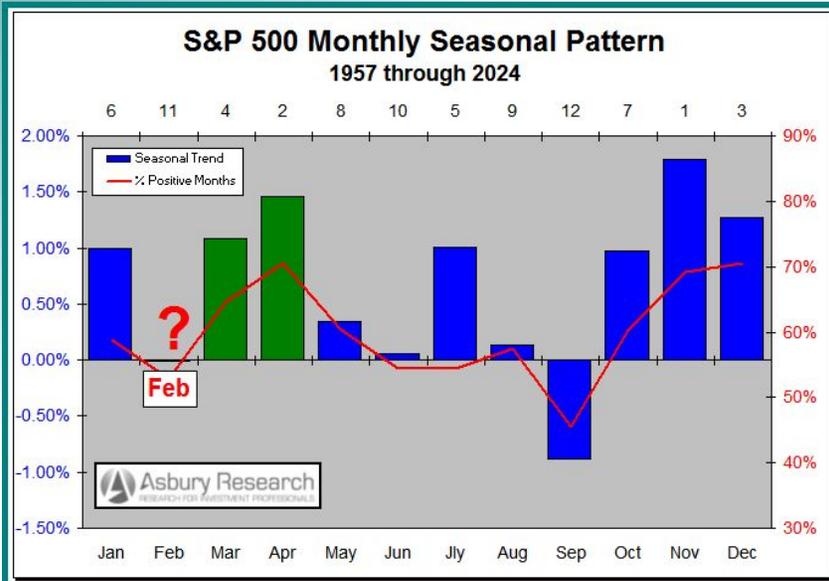
A survey of *near to intermediate term* focused futures traders is retracting from an early December *most bullish* extreme that's characteristic of **Strategic market peaks**.



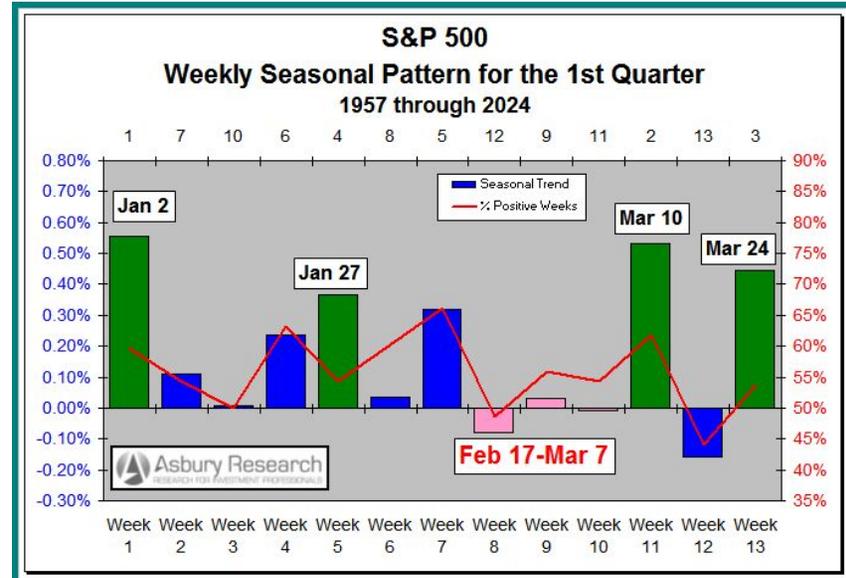
A survey of *intermediate to long term* newsletter writers is retracting from a *most bullish* extremes that has coincided with or led **Strategic broad market tops** since 2015.

US Stock Market

Seasonality: Near Term Negative, Intermediate Term Positive



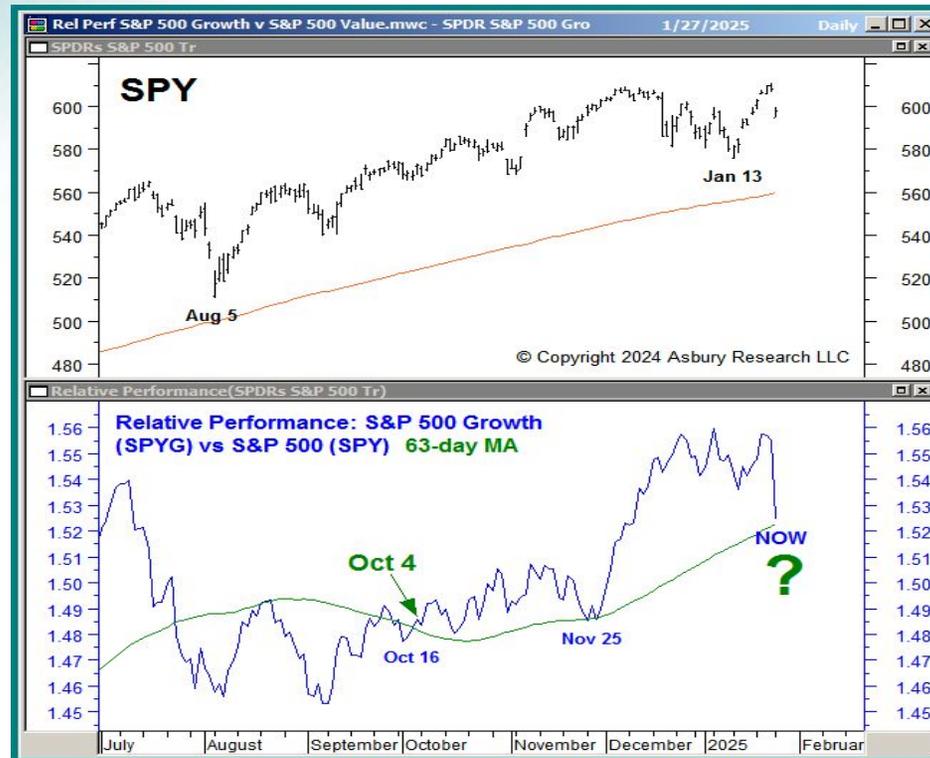
This annual chart shows that February is the 2nd seasonally *weakest* month of the year in the S&P 500 based on data since 1957, but is followed by the 4th and 2nd *strongest* months in March and April.



This quarterly chart shows that the seasonally weak Feb 17th to Mar 7th period leads into a choppy but mostly very strong period of seasonal strength during March.

US Stock Market

Style: Growth's October 2024 Outperformance Trend Is Being Tested



The SPDR S&P 500 Growth ETF (SPYG) is testing its Oct 4th trend of Strategic relative outperformance versus the S&P 500 (SPY). Quarterly relative outperformance by Growth typically suggests an increased appetite for risk.

SEAF (Sector ETF Asset Flows) Model

Data-Driven Sector Rotation: *“Following The Money”*

ASBURY RESEARCH: SECTOR ETF ASSET FLOWS (SEAF) MODEL					for the week of January 27th, 2025
Sector (Symbol)	% thru 01-23-2025	Trading (week)	Tactical (month)	Strategic (quarter)	Ranking
INDUSTRIALS (XLI)	7.1%	2	2	5	9
FINANCIALS (XLF)	16.4%	10	1	1	12
COMMUNICATION SERVICES (XLC)	6.7%	3	8	3	14
CONSUMER DISCRETIONARY (XLY)	7.6%	6	6	2	14
TECHNOLOGY (XLK)	24.2%	1	11	4	16
UTILITIES (XLU)	5.6%	5	3	9	17
MATERIALS (XLB)	1.6%	4	10	6	20
REAL ESTATE (XLRE)	2.3%	7	7	7	21
CONSUMER STAPLES (XLP)	5.2%	8	9	8	25
HEALTH CARE (XLV)	12.2%	9	5	11	25
ENERGY (XLE)	11.1%	11	4	10	25

Biggest % inflows during period shown
 Biggest % outflows during period shown
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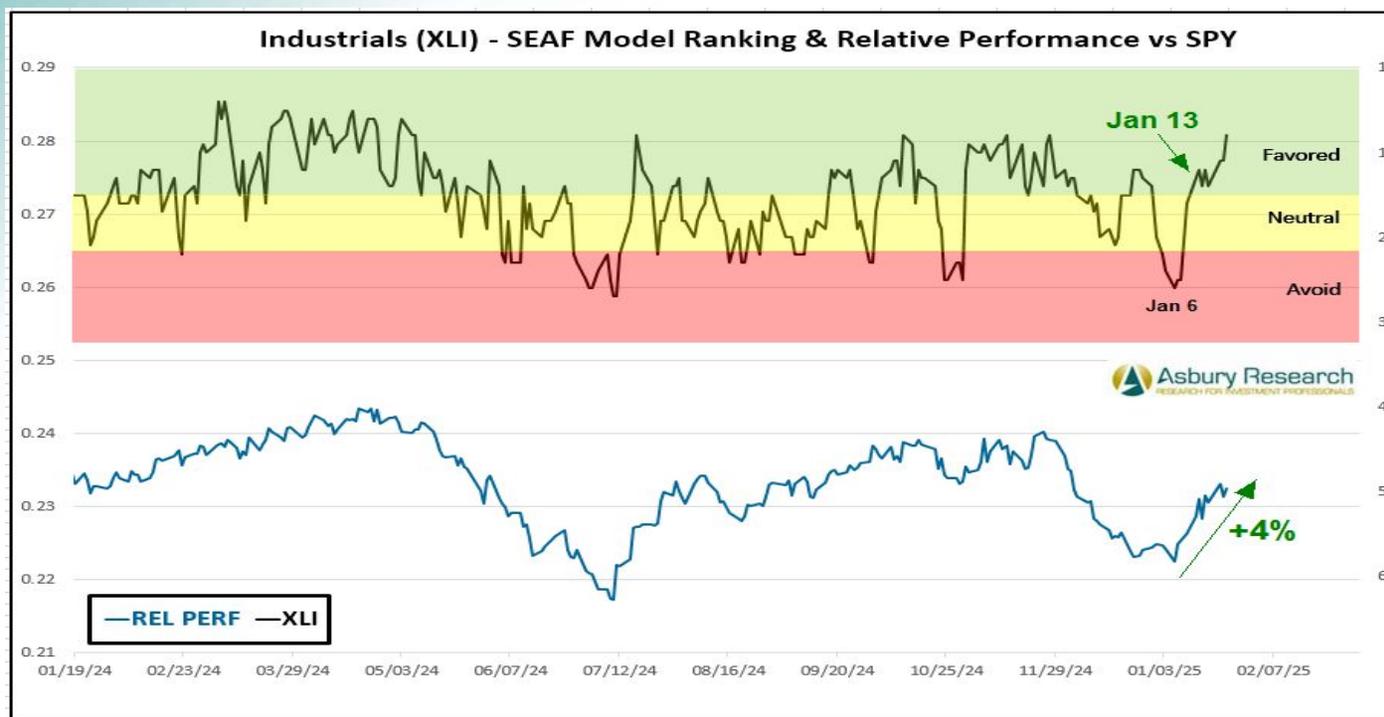
Favored: 3-15
 Neutral 16-24
 Avoid 25-33

The latest data indicate a **multi-timeframe trend of asset inflows into Industrials and Financials. This is where the money is currently going in the sector space.**

The latest data also indicate a **multi-timeframe trend of asset outflows out of Energy. This is where the money is coming from.**

SEAF (Sector ETF Asset Flows) Model

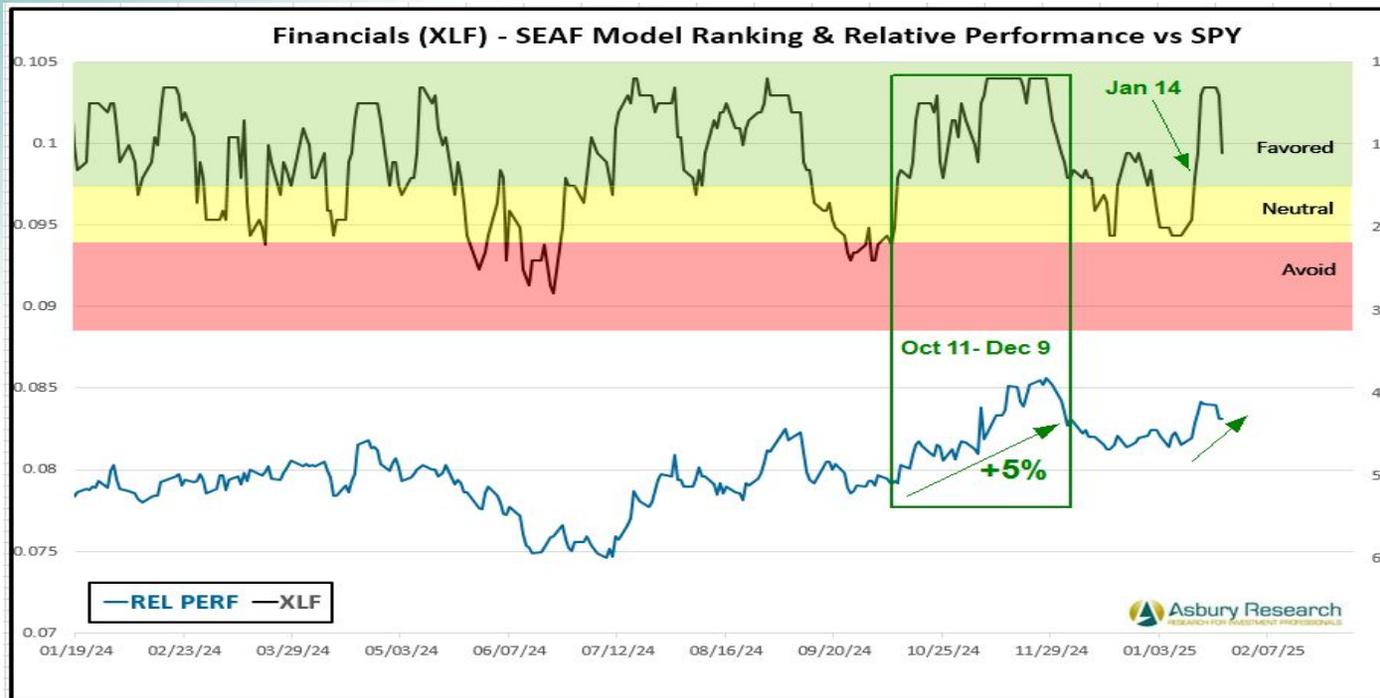
SEAF Rainbow Charts: Industrials (XLI)



The green highlights show that Industrials moved to a **Favored Ranking** on Jan 13th. The chart also shows that XLI has outperformed the benchmark S&P 500 (SPY, lower panel) by 4% since Industrials bottomed out according to the SEAF Model on Jan 6th (upper panel).

SEAF (Sector ETF Asset Flows) Model

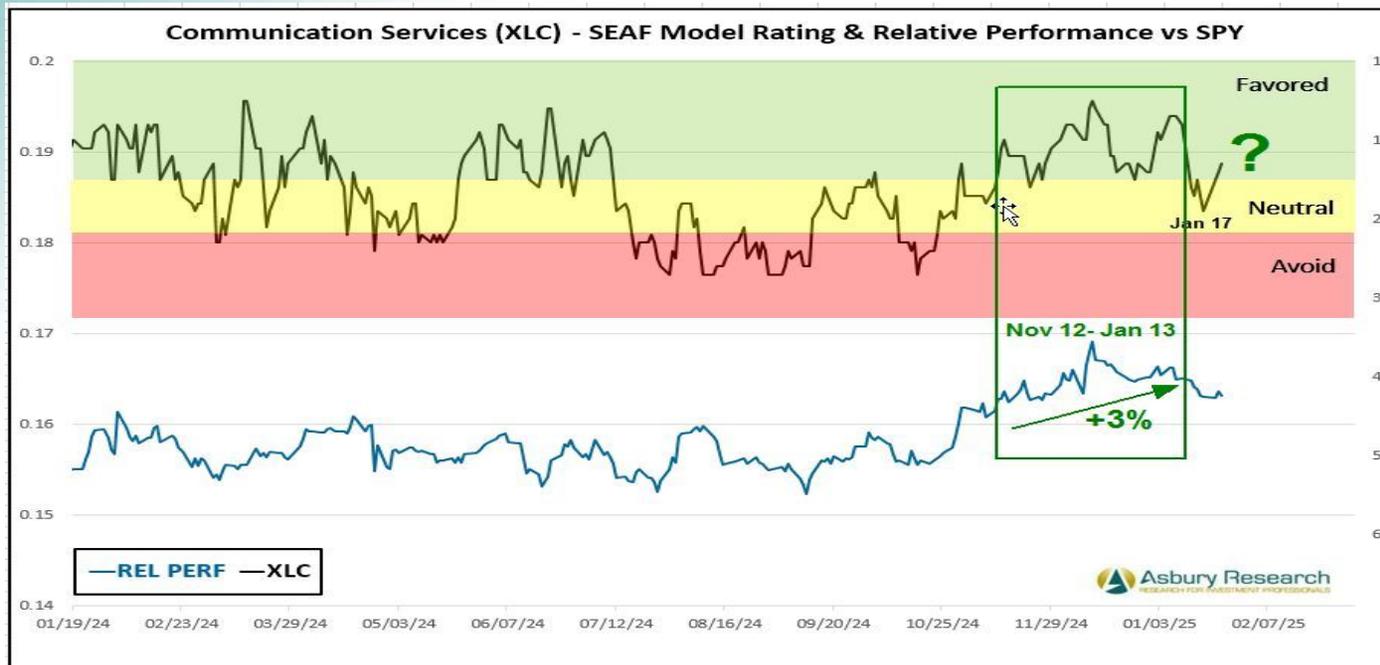
SEAF Rainbow Charts: Financials (XLF)



Cyclical Financials (XLF) is the SEAF Model's second-ranked sector this week with a Ranking score of 12. The upper panel shows that Financials moved into **Favored** status on Jan 14th as the daily relative performance chart of XLF versus SPY (lower panel) responded with sharp relative outperformance.

SEAF (Sector ETF Asset Flows) Model

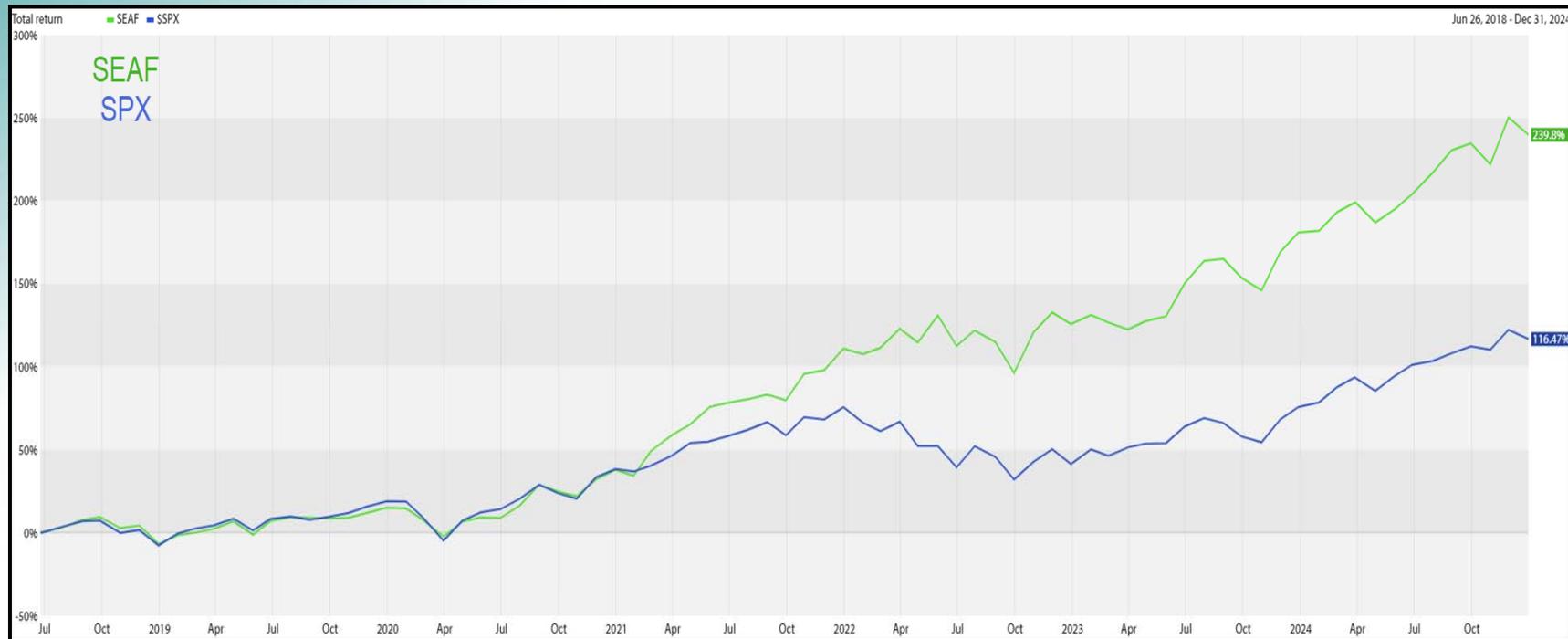
SEAF Rainbow Charts: Communication Services (XLC)



Economically sensitive Communication Services (XLC) is the SEAF Model's third-best-ranked sector this week with a Ranking score of 14. The green highlights in the upper panel of Chart 3 below show that Communication Services edged back into **Favored** status late last week, and also that this sector's previous extended stay in Favored status between Nov 12th and Jan 13th coincided with 3% of relative outperformance.

SEAF (Sector ETF Asset Flows) Model

Data Driven Sector Rotation: Hypothetical Backtested Performance



This chart plots the daily performance of the SEAF Model vs. the S&P 500, in terms of percentage return, from July 2018 through December 31st 2024.

SEAF (Sector ETF Asset Flows) Model

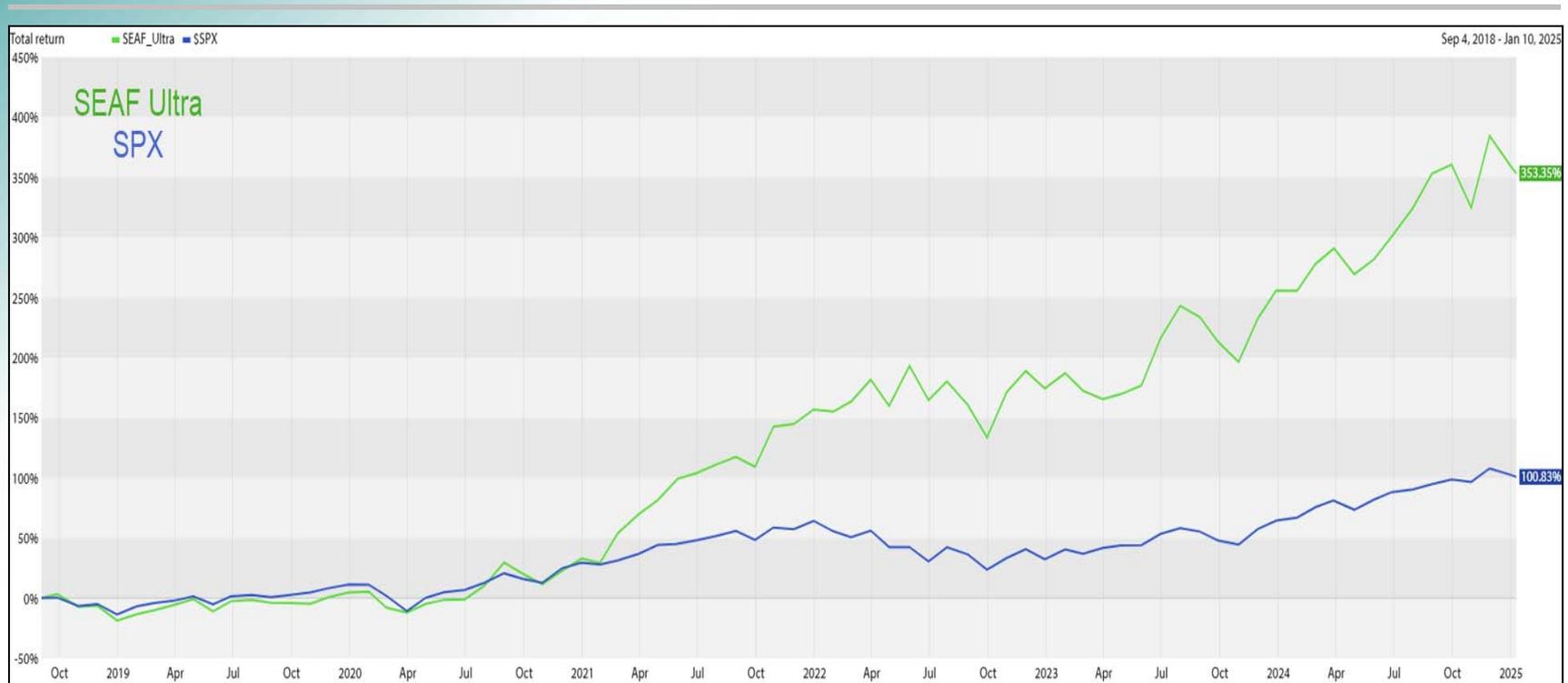
Data Driven Sector Rotation: Risk Metrics

Risk metrics	01/01/24-12/31/24	01/01/22-12/31/24	01/01/20-12/31/24	06/26/18-12/31/24
Risk (standard deviation)				
SEAF	13.2%	17%	17.7%	17.3%
SSPX	10.6%	17.4%	18.2%	17.5%
Alpha				
SEAF	-4.3%	8.7%	10.7%	7.1%
SSPX	-1.3%	-1.5%	-1.6%	-1.7%
Beta				
SEAF	1.07	0.84	0.84	0.87
SSPX	0.99	1.00	1.00	1.00
Sharpe ratio				
SEAF	1.15	0.80	1.18	1.04
SSPX	1.58	0.27	0.62	0.63
Sortino ratio				
SEAF	2.39	1.64	2.60	2.04
SSPX	3.22	0.46	1.09	1.09
Maximum drawdown				
SEAF	-5.7%	-17%	-29.4%	-29.4%
SSPX	-8.5%	-25.4%	-33.9%	-33.9%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

SEAF (Sector ETF Asset Flows) Ultra

Sector Rotation With Intelligent Leverage: Backtested Performance



This chart plots the daily performance of the SEAF Ultra Model vs. the S&P 500, in terms of percentage return, from July 2018 through Jan 10th 2025.

SEAF (Sector ETF Asset Flows) Ultra

Sector Rotation With Intelligent Leverage: Risk Metrics

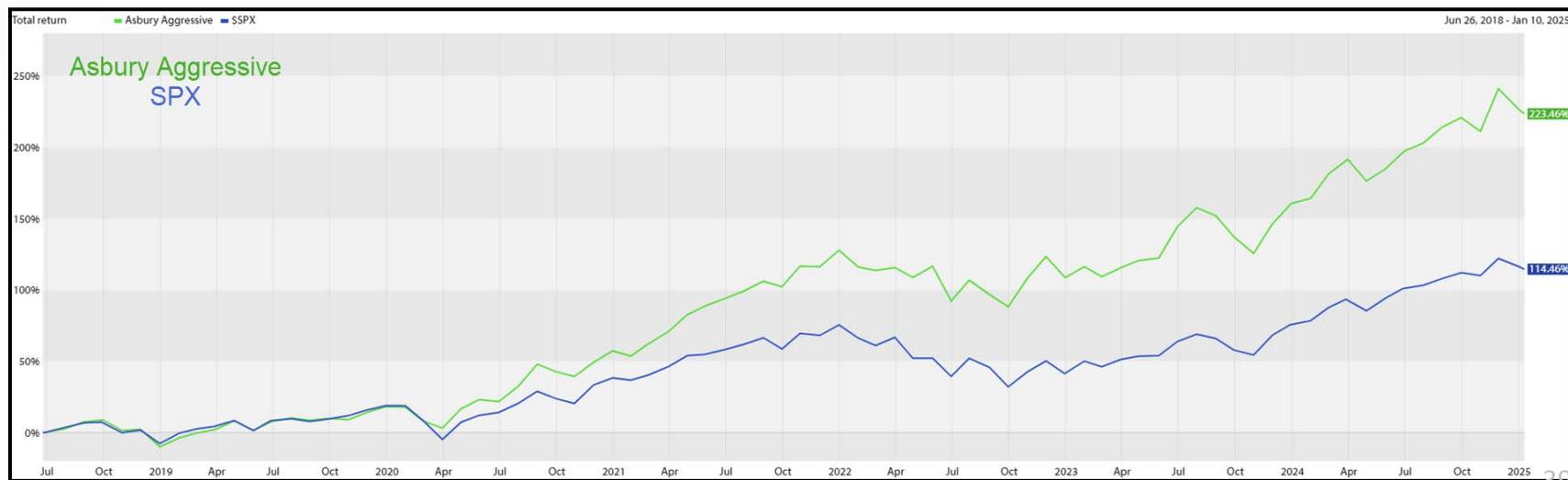
Risk metrics	01/01/24-12/31/24	01/01/22-12/31/24	01/01/20-12/31/24	09/04/18-12/31/24
Risk (standard deviation)				
SEAF_Ultra	21.4%	25.3%	26.5%	26%
\$SPX	10.6%	17.4%	18.2%	17.9%
Alpha				
SEAF_Ultra	-7.3%	11.9%	17.1%	11%
\$SPX	-1.3%	-1.5%	-1.6%	-1.7%
Beta				
SEAF_Ultra	1.69	1.21	1.17	1.20
\$SPX	0.99	1.00	1.00	1.00
Sharpe ratio				
SEAF_Ultra	1.08	0.74	1.16	0.96
\$SPX	1.58	0.27	0.62	0.59
Maximum drawdown				
SEAF_Ultra	-9.2%	-23.3%	-32.2%	-32.2%
\$SPX	-8.5%	-25.4%	-33.9%	-33.9%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

Asbury Model Portfolios: **Asbury Aggressive** *Aggressive Capital Growth*

The **Asbury Aggressive Portfolio** is a strategic blend of our SEAF® (Sector ETF Asset Flows) Model, CPM® (Correction Protection Model) Model, and CPM Ultra Model.

The Asbury Aggressive Portfolio is essentially a blend of a capital preservation strategy (CPM), a leveraged capital preservation strategy (CPM Ultra), and an alpha-generating sector rotation strategy (SEAF) which were combined to produce **aggressive capital growth with similar risk to the market.**



Asbury Model Portfolios: **Asbury Aggressive**

Backtested Hypothetical Performance & Risk Metrics

Risk metrics	As of Dec 31, 2024			
	Ytd	1 year	3 years	5 years
Risk (standard deviation)				
■ Asbury Aggressive	15.1%	15.1%	18.8%	18.7%
■ \$SPX	10.6%	10.6%	17.4%	18.2%
Alpha				
■ Asbury Aggressive	-5.5%	-5.5%	3.8%	8%
■ \$SPX	-1.3%	-1.3%	-1.5%	-1.6%
Beta				
■ Asbury Aggressive	1.35	1.35	1.00	0.94
■ \$SPX	0.99	0.99	1.00	1.00
Sharpe ratio				
■ Asbury Aggressive	1.25	1.25	0.53	1.06
■ \$SPX	1.58	1.58	0.27	0.62
Sortino ratio				
■ Asbury Aggressive	2.57	2.57	1.02	2.26
■ \$SPX	3.22	3.22	0.46	1.09
Maximum drawdown				
■ Asbury Aggressive	-5.7%	-5.7%	-17.9%	-21.7%
■ \$SPX	-8.5%	-8.5%	-25.4%	-33.9%

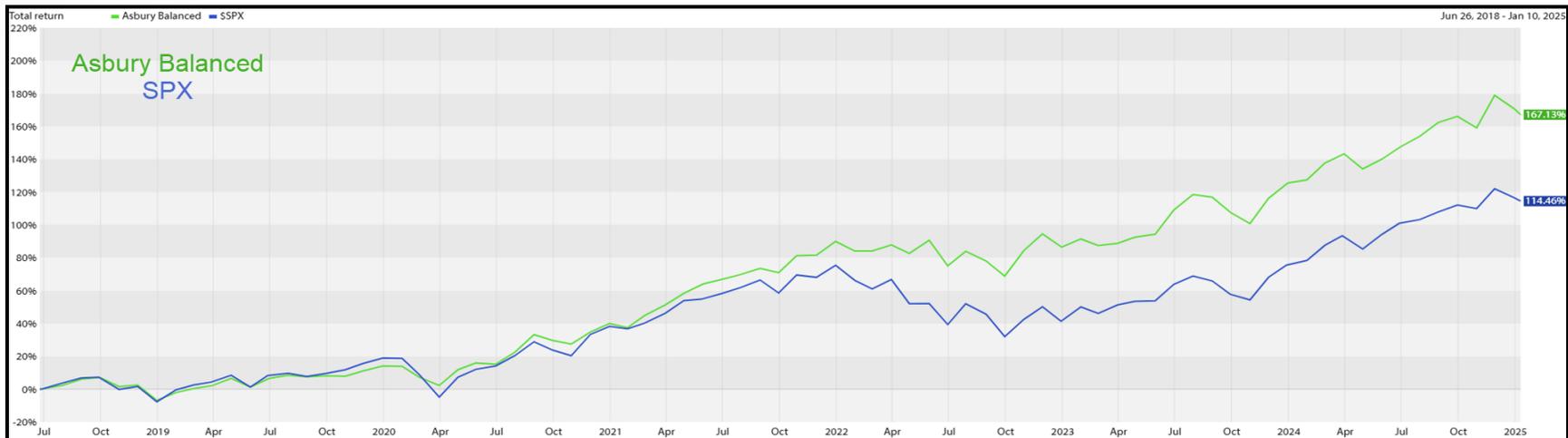
The benchmark used to calculate alpha, beta is: S&P 500 Index TR

Asbury Model Portfolios: **Asbury Balanced**

Moderate Capital Growth

The **Asbury Balanced Portfolio** is a strategic blend of our SEAF[®] (Sector ETF Asset Flows) Model and CPM[®] (Correction Protection Model) Model.

The Asbury Balanced Portfolio is essentially a blend of an alpha-generating sector rotation strategy (SEAF) and a capital preservation strategy (CPM) which were combined to provide market participation with downside protection, but with **the opportunity for alpha generation when conditions are favorable.**



Asbury Model Portfolios: **Asbury Balanced**

Backtested Hypothetical Performance & Risk Metrics

Risk metrics	As of Dec 31, 2024			
	Ytd	1 year	3 years	5 years
Risk (standard deviation)				
Asbury Balanced	11.1%	11.1%	14.3%	14.3%
\$SPX	10.6%	10.6%	17.4%	18.2%
Alpha				
Asbury Balanced	-3.8%	-3.8%	4%	7%
\$SPX	-1.3%	-1.3%	-1.5%	-1.6%
Beta				
Asbury Balanced	0.98	0.98	0.75	0.72
\$SPX	0.99	0.99	1.00	1.00
Sharpe ratio				
Asbury Balanced	1.25	1.25	0.60	1.11
\$SPX	1.58	1.58	0.27	0.62
Sortino ratio				
Asbury Balanced	2.58	2.58	1.18	2.38
\$SPX	3.22	3.22	0.46	1.09
Maximum drawdown				
Asbury Balanced	-4.1%	-4.1%	-12.4%	-18.6%
\$SPX	-8.5%	-8.5%	-25.4%	-33.9%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

Asbury Model Portfolios: **Asbury Conservative** *Modest Capital Growth*

The **Asbury Conservative Portfolio** is a strategic blend of our CPM[®] (Correction Protection Model) Model and SEAF[®] (Sector ETF Asset Flows) Model.

The Asbury Conservative Portfolio is, like the Asbury Balanced Portfolio, essentially a blend of an alpha-generating sector rotation strategy (SEAF) and a capital preservation strategy (CPM), but with **more emphasis on downside protection**.



Asbury Model Portfolios: **Asbury Conservative**

Backtested Hypothetical Performance & Risk Metrics

Risk metrics	As of Dec 31, 2024			
	Ytd	1 year	3 years	5 years
Risk (standard deviation)				
■ Asbury Conservative	10.4%	10.4%	13.4%	13%
■ S&PX	10.6%	10.6%	17.4%	18.2%
Alpha				
■ Asbury Conservative	-3.2%	-3.2%	1.9%	5.2%
■ S&PX	-1.3%	-1.3%	-1.5%	-1.6%
Beta				
■ Asbury Conservative	0.94	0.94	0.70	0.65
■ S&PX	0.99	0.99	1.00	1.00
Sharpe ratio				
■ Asbury Conservative	1.32	1.32	0.47	1.03
■ S&PX	1.58	1.58	0.27	0.62
Sortino ratio				
■ Asbury Conservative	2.74	2.74	0.88	2.12
■ S&PX	3.22	3.22	0.46	1.09
Maximum drawdown				
■ Asbury Conservative	-4%	-4%	-15.4%	-15.5%
■ S&PX	-8.5%	-8.5%	-25.4%	-33.9%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

Asbury Model Portfolios: **Asbury Ultra Conservative**

Maximum Drawdown Less Than 10%

The **Asbury Ultra Conservative Portfolio** is a blend of our CPM[®] Model (Correction Protection Model), SEAF[®] Model (Sector ETF Asset Flows), and a cash equivalent short term bond fund.

The Asbury Ultra Conservative Portfolio is a strategic blend of a dynamic stocks/bonds allocation model focused on risk aversion (CPM), an alpha-generating sector rotation strategy (SEAF), and a short term credit risk-free US interest rate strategy with a focus on **keeping the maximum drawdown less than 10%**.



Asbury Model Portfolios: **Asbury Ultra Conservative**

Backtested Performance & Risk Metrics

Risk metrics	As of Dec 31, 2024			
	Ytd	1 year	3 years	5 years
Risk (standard deviation)				
■ Asbury Ultra Conservative	5.8%	5.8%	7.2%	7.2%
■ \$SPX	10.6%	10.6%	17.4%	18.2%
Alpha				
■ Asbury Ultra Conservative	-2.4%	-2.4%	1.5%	3.1%
■ \$SPX	-1.3%	-1.3%	-1.5%	-1.6%
Beta				
■ Asbury Ultra Conservative	0.51	0.51	0.38	0.36
■ \$SPX	0.99	0.99	1.00	1.00
Sharpe ratio				
■ Asbury Ultra Conservative	1.17	1.17	0.53	1.07
■ \$SPX	1.58	1.58	0.27	0.62
Maximum drawdown				
■ Asbury Ultra Conservative	-2.1%	-2.1%	-6.1%	-9.3%
■ \$SPX	-8.5%	-8.5%	-25.4%	-33.9%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

Asbury Research

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