



**Model Number**  
TEII

**Model Position Changes**  
Evaluated Weekly STIR provides timely clear Buy and Sell signals along with recommended percentage allocations.

**Model Goals**  
To provide an absolute return (positive gains every year). Outperform a fixed allocation. Assume less risk. Adding alpha (excess return adjusted for risk).

**Overview**

From 2000-2011 stocks were trapped in a secular (long term trend) bear market where equities produced a negative return. In sharp contrast bonds were enjoying a secular bull market with yields falling and bond prices rising. Bond returns were exceptionally good. STIR's outlook for the coming decades is a reversal of investors experience from the last decade: bond yields will be rising and prices falling while stocks will enjoy a two decade advance.

Typically, an investor portfolio will contain a mixture of bonds and stocks providing a balance between stable investments (bonds) and growth (stocks). Unfortunately, STIR's view is that bonds are trapped in a long term period of low returns that will only act as an anchor on future overall returns. The STIR Tactical Equity Income Index strives to provide low volatility (higher than bonds but lower than equities) and a total return (dividend income plus capital appreciation) greater than bonds by investing in higher yielding value stocks.

The STIR Tactical Equity Income Index is a rule based active index. The founders of STIR have over two decades of experience in asset class analysis and four decades in quantitative market analysis.

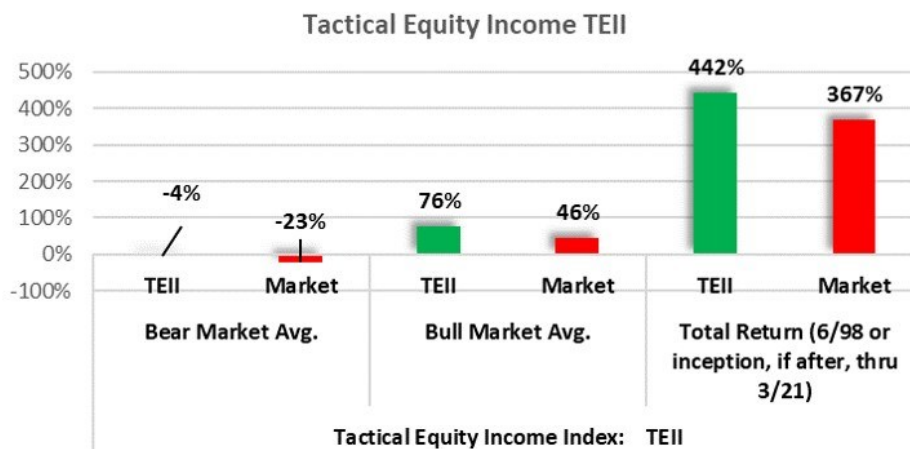
To contact a STIR Research Representative call or email us  
sales@stirresearch.com

STIR—970-749-7907  
www.stirresearch.com

**Tactical Equity Income Index  
Asset Class Universe**

S&P 500 Pure Value  
S&P 400 Pure Value  
Aggregate Bond

**PERFORMANCE DATA**  
12/31/1998 THROUGH 3/31/2021



Risk / Reward Data 12/31/2006-3/31/2021	Absolute Return	Annualized Return	Cumulative Return	YTD Performance	Less Risk (Beta)	Standard Deviation	3 Year T.R.	5 Year T.R.	10 Year T.R.
Tactical Equity Income	13 out of 15 Years	12.51%	441.72%	21.42%	.43	13.87%	35.44%	56.34%	137.07%
S&P 500 Index 60% / Vanguard Total Bond Market 40%	13 out of 15 Years	7.39%	153.07%	.31%	.60	12.69%	24.66%	59.59%	102.66%

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