U.S. Credit Rotation Model

Sample Model

Indicator Signal Overview – U.S. Credit Rotation Model

When the U.S. Risk Demand Indicator is below zero, own 100% Risk-Off Exposure. When the U.S. Risk Demand Indicator is above zero, own 100% Risk-On Exposure. The sample model is rebalanced monthly to equal weight. Refer to page 2 to see when the model held Risk-On or Risk-Off exposure for each month since January 2000.

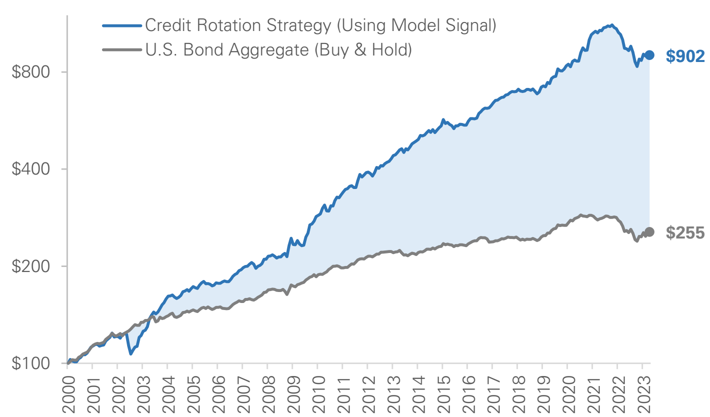
- **Risk-On** = Low-Quality Credit (High Yield, Fallen Angels, Convertibles)
- **Risk-Off** = High-Quality Credit (U.S. Treasuries & MBS)

Figure 8: Performance Statistics – U.S. Credit Rotation Model

Annual Statistics of Returns & Risks	US Bond Aggregate (Benchmark)	Credit Sector Rotation Model
Average Return	4.1%	10.3%
Strategy CAGR	**4.1%**	**9.9%**
Maximum Drawdown	-17%	-26%
% of Positive Years	**87%**	**96%**
Upside Capture	100%	215%
Downside Capture	100%	14%
Net Capture	**0%**	**+201%**
Max Positive Year	12%	30%
Max Negative Year	-13%	-20%
Max Risk / Reward Ratio	**0.92**	**1.47**

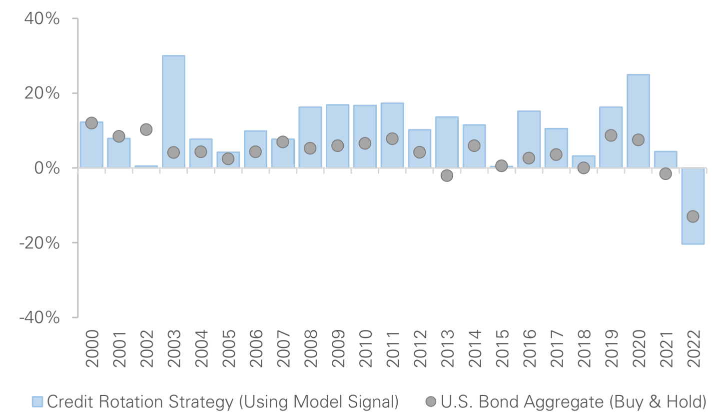
Source: MarketDesk Quant Pack. Based on annual calendar year returns since 2000.

Figure 9: Total Returns – U.S. Credit Rotation Model



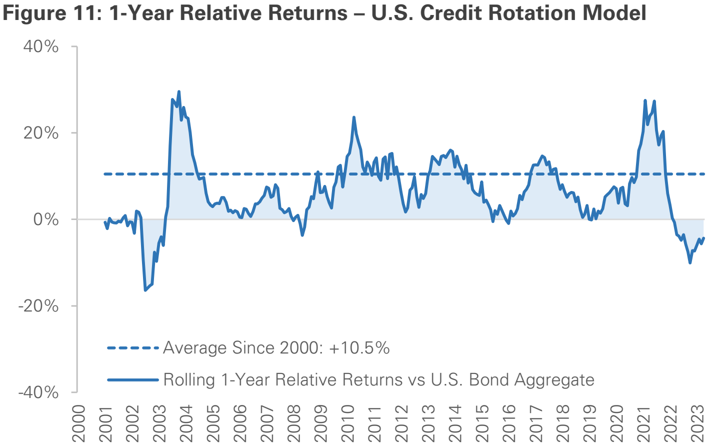
Source: MarketDesk Quant Pack. The portfolio is rebalanced monthly.

Figure 10: Historical Annual Returns – U.S. Credit Rotation Model



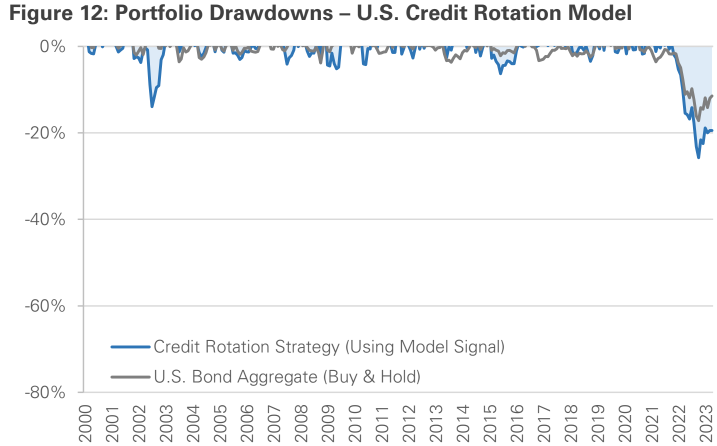
Source: MarketDesk Quant Pack

Figure 11: 1-Year Relative Returns – U.S. Credit Rotation Model



Source: MarketDesk Quant Pack

Figure 12: Portfolio Drawdowns – U.S. Credit Rotation Model



Source: MarketDesk Quant Pack

Next Steps

1

Visit Resource Library

Complimentary access to Case Studies, Whitepapers, and Educational Presentations.

See Downloads →

www.QuantPack.com/library

2

Schedule a Free Demo

Our team is available to walk through the platform and answer your questions.

10 Minute Demo →

www.QuantPack.com/demo

3

Start Your Subscription

Enter the code “SAVE100” to save $100 when you start your Quant Pack subscription.

Save $100 →

www.QuantPack.com/plans

Questions? Email support@QuantPack.com