Acanto Portfolio Management

Momentum + Risk Parity Together

Persistent patterns and anomalies in the financial market can be used to generate excess investment performance and reduce downside risk.

Acanto LLC is a Registered Investment Advisor providing discretionary portfolio management for both individual and institutional clients. Our investment philosophy is rooted in a systematic, quantitative approach designed to navigate a variety of market environments with an emphasis on risk management and long-term growth.

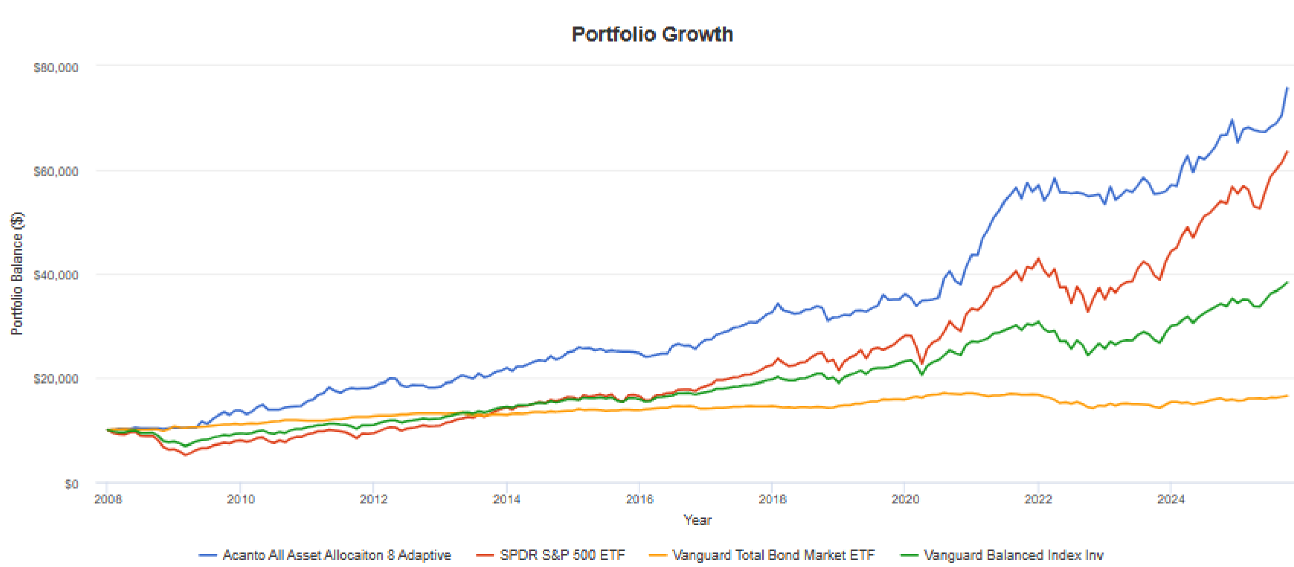
We incorporate momentum and risk-parity principles within our proprietary models to dynamically allocate capital, seeking to participate in upward trends while aiming to mitigate significant drawdowns. This framework is implemented within our flagship strategy, “All Asset Adaptive,” which applies a systematic, risk-aware approach to diversified multi-asset portfolio construction.

Acanto’s “ All Asset Adaptive 8 ” strategy

Performance Summary

Portfolio	Initial Balance	Final Balance	CAGR	Stdev	Best Year	Worst Year	Max. Drawdown	Sharpe Ratio	Sortino Ratio	Market Correlation
Acanto All Asset Allocaiton 8 Adaptive	$10,000	$75,715	12.08%	10.57%	30.86%	-6.42%	-9.59%	1.01	1.87	0.52
SPDR S&P 500 ETF	$10,000	$63,490	10.97%	15.78%	32.31%	-36.81%	-48.23%	0.66	0.98	1.00
Vanguard Total Bond Market ETF	$10,000	$16,555	2.88%	4.63%	8.84%	-13.11%	-17.28%	0.36	0.53	0.27
Vanguard Balanced Index Inv	$10,000	$38,313	7.86%	10.36%	21.67%	-22.21%	-31.02%	0.66	0.97	0.99

Portfolio Growth

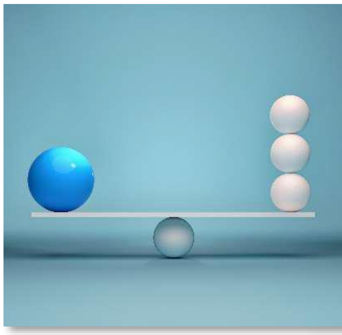


☐ Logarithmic scale ☐ Inflation adjusted

DISCLAIMER:
1)All Investments involve risk and past performance (hypothetical or otherwise) is no indication of future performance.
2)All asset or portfolio returns shown within this presentation are purely hypothetical and are used only to describe investment modeling and methodology.
3)All charts, returns, historical research, and back-testing are shown as GROSS of fees.

Acanto's "All Asset Adaptive 8" strategy

Our robust investment process relies on ***two complementary*** asset management principles known as MOMENTUM and RISK PARITY:



Momentum + Risk Parity

Momentum: uses price trend to select the best-performing assets over a given period, usually measured in months.

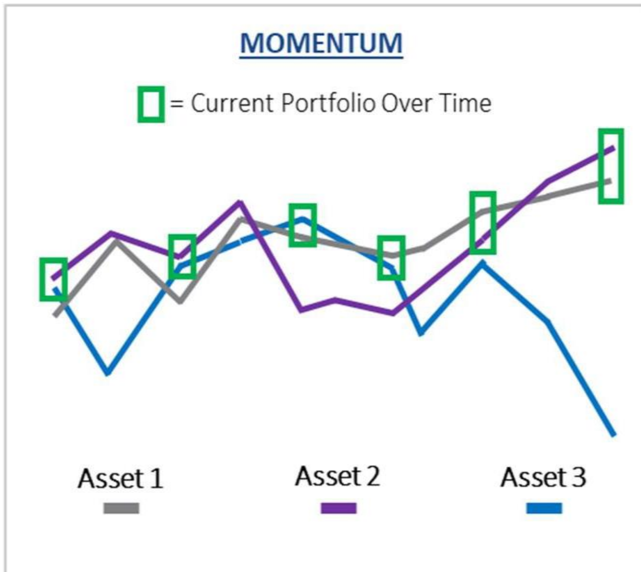
Risk Parity: is an asset allocation approach that balances risk across a portfolio, is key to our overall investment process.

MOMENTUM: ASSET SELECTION

A rules-based investment process incorporating 3–6-month momentum metrics is used to identify a select group of exchange-traded funds (ETFs) from a wide array of global asset classes and economic sectors.

This quantitative methodology is applied across a larger set of diversified asset categories, including commodities, real estate, fixed income, equities, and cash equivalents, primarily through liquid ETFs. The objective of this approach is to dynamically allocate toward areas of relative strength based on intermediate-term price trends.

While no investment strategy can eliminate all risk or guarantee returns, historical analysis suggests that this process has been effective in various market environments by seeking to participate in prevailing trends while aiming to reduce prolonged periods of underperformance.



RISK PARITY: A BALANCING ACT

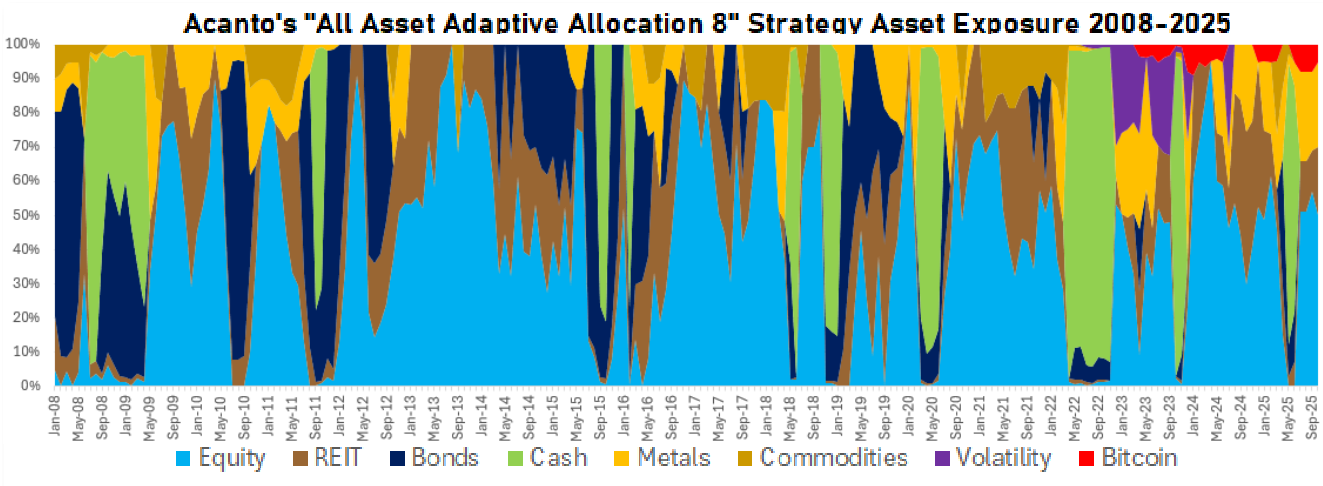
Once the asset selection is completed, a risk-parity framework is used to help achieve a more balanced distribution of risk across the portfolio's current positions.

This approach uses the historical downside volatility of each holding, within its relationship to every other asset in the portfolio, to determine position sizing. By allocating position size based on risk contribution rather than capital size alone, this methodology seeks to reduce the concentration of risk during periods of increasing volatility with adaptive diversification.

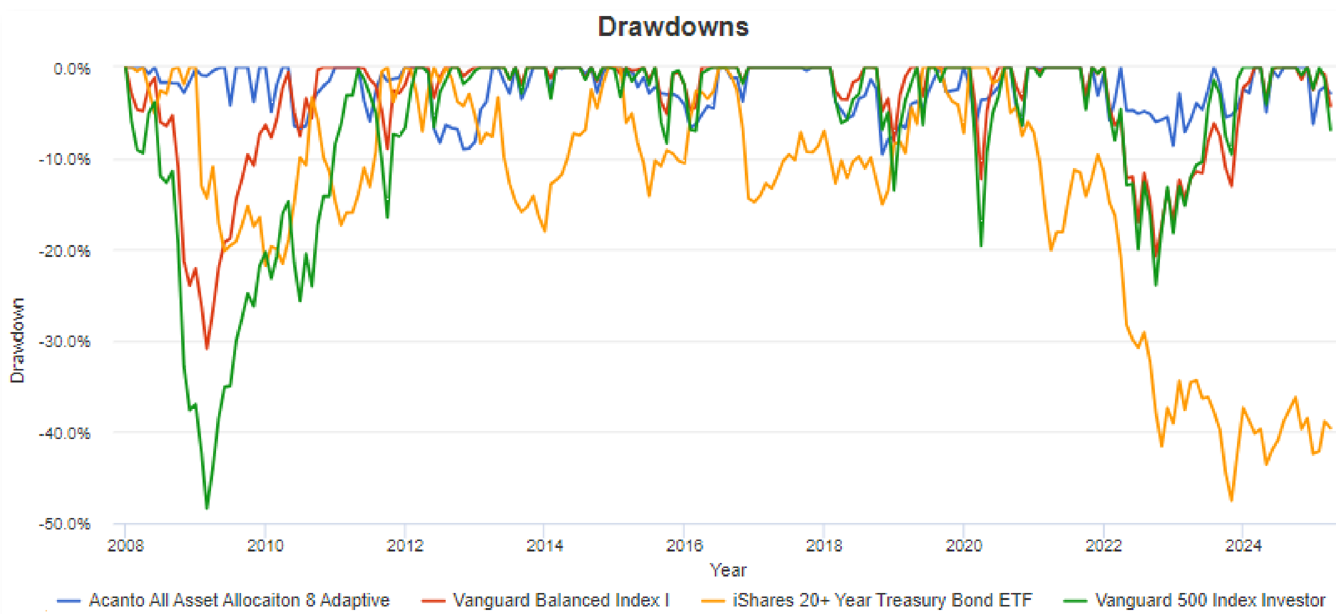
While no investment approach can ensure improved outcomes or prevent losses, risk parity has been widely studied and applied in both academic literature and investment practice for its potential to improve portfolio efficiency across various market conditions.

Momentum and Risk Management in Asset Allocation

The “All-Asset Adaptive” strategy employs a systematic selection process that emphasizes recent relative strength among asset classes. The strategy focuses on a limited number of high-performing categories, such as equities, fixed income, cash equivalents, commodities, and real estate, primarily through liquid ETFs and REITs.



To help manage portfolio risk, positions are sized using a risk-parity framework. This approach seeks to balance volatility across holdings and reduce concentration in any single asset class, contributing to a more diversified and risk-aware allocation.



"Momentum is pervasive: academic literature shows the efficacy of momentum strategies across multiple time-periods, in many markets, and in numerous asset classes.”

***Journal of Financial Economics*, Tobias Moskowitz (Yale University) & Kent Daniel (Columbia University)**