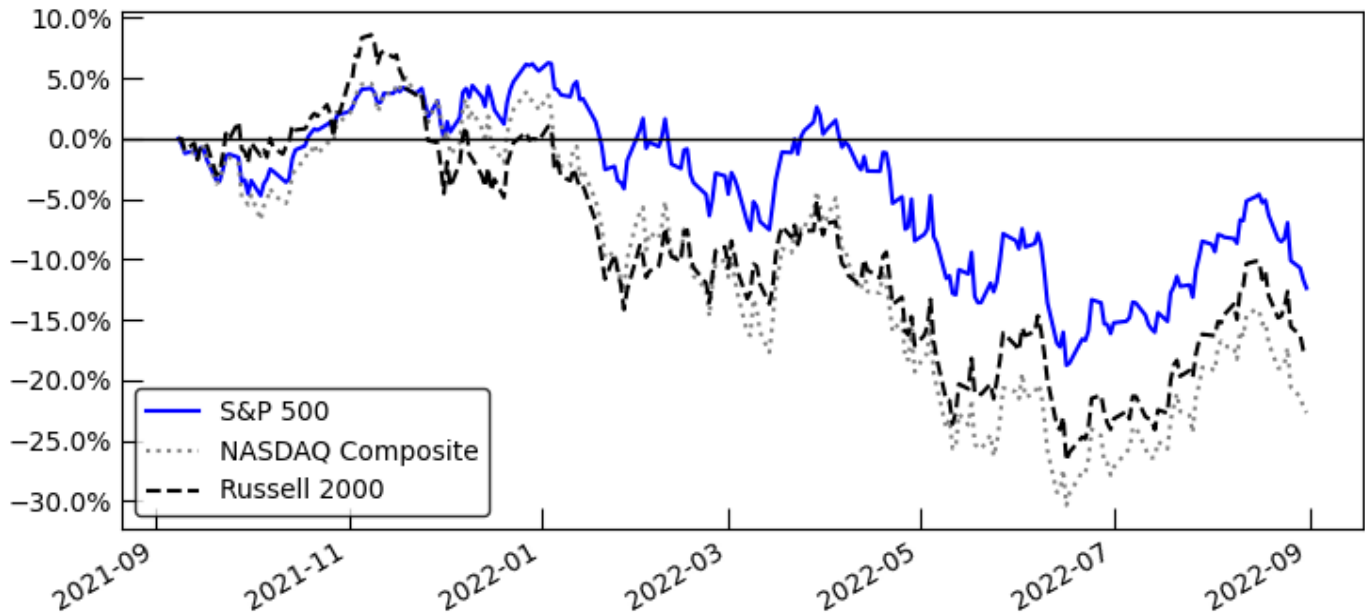# US Business Cycle Report

For the Month of August 2022

US Equity Indices Trailing 12 Month Cumulative Returns

Source: Yahoo Finance, as of 2022-08-31

Monthly Summary

| Business Cycle Phase	Target Asset Allocation
Early Expansion	Target Sectors: HC, UT, CS Target Factor: Momentum
Late Expansion	**Target Sectors: ID, UT, CD** **Target Factor: Low Volatility**
Early Contraction	Target Sectors: CS, HC, MA Target Factor: Safe Haven
Late Contraction	Target Sectors: EN, CD, ID Target Factor: Growth

Composite Business Cycle Indicator

Composite Business Cycle Indicator
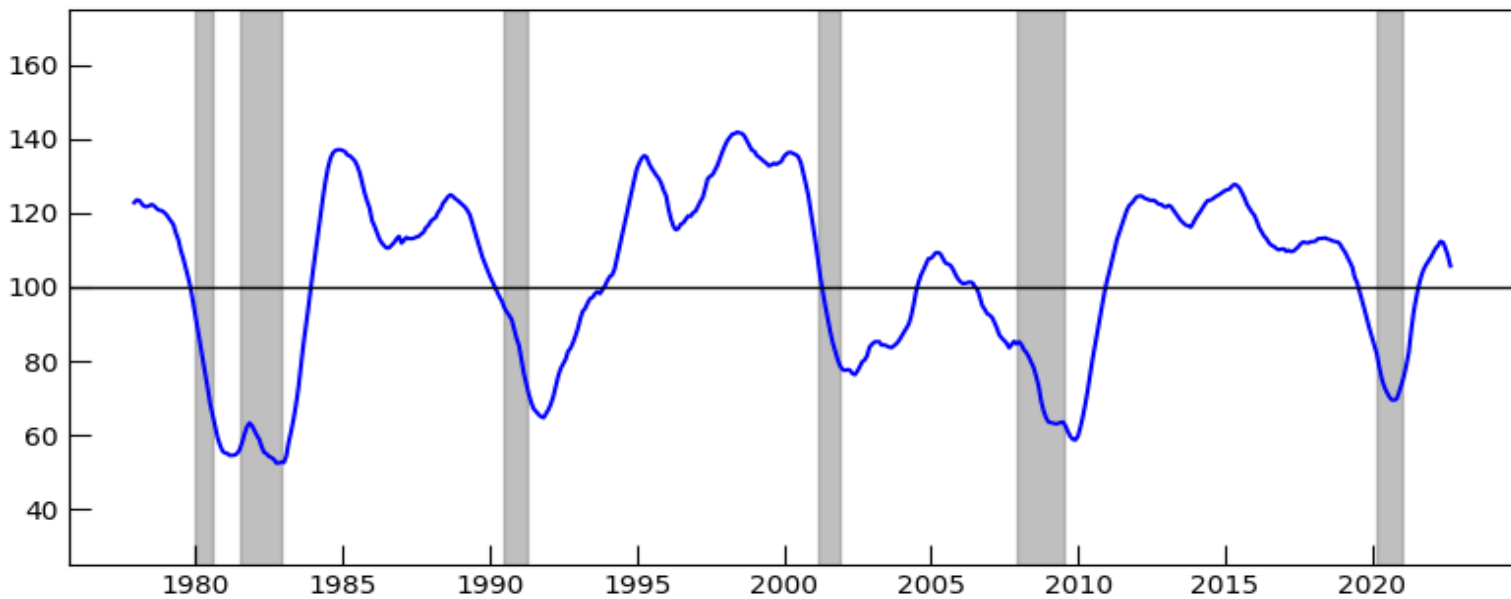
Note: Shaded areas represent US recessions as indicated by NBER.
Reading greater than 100 indicates expansion, less than 100 indicates contraction.
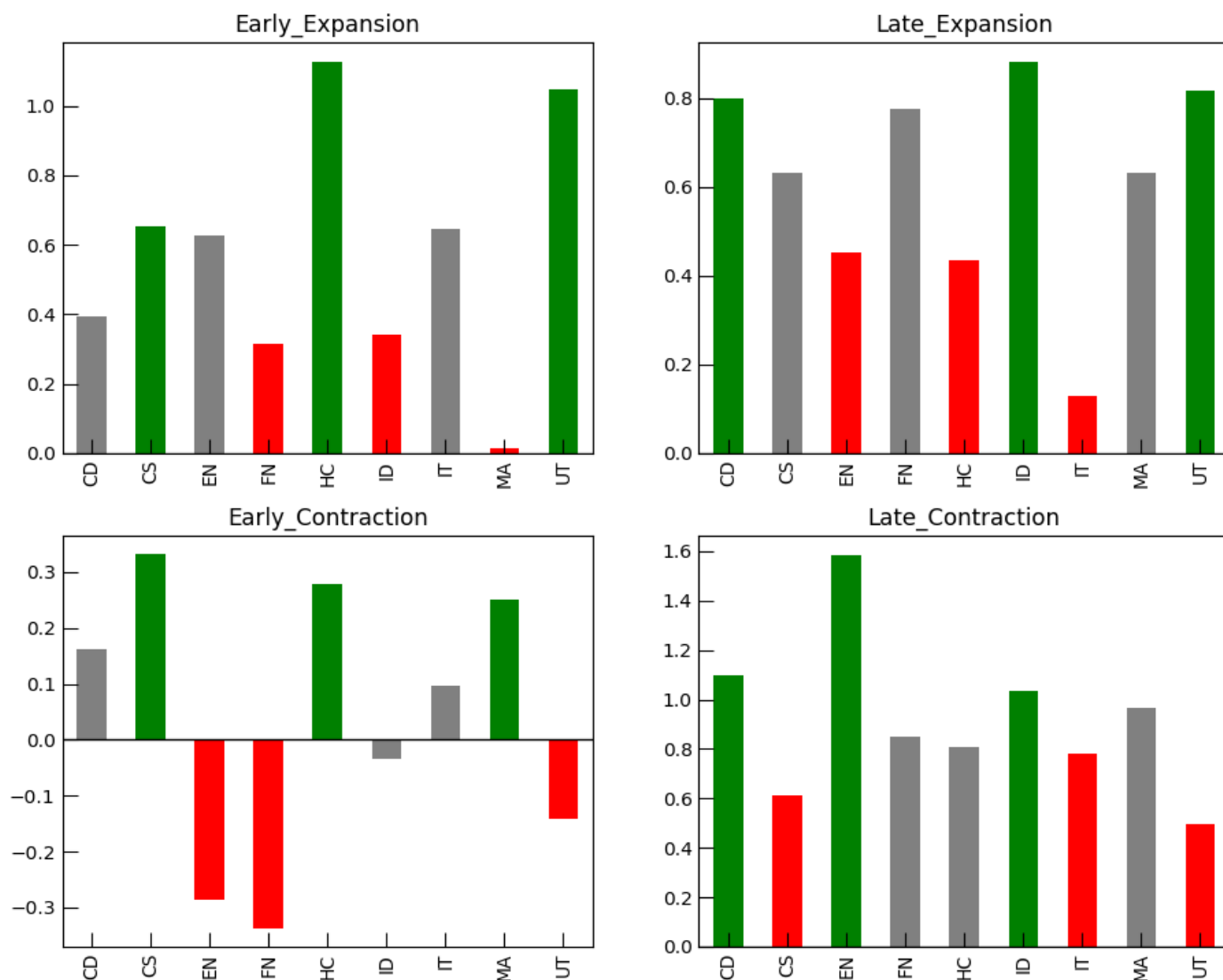
Business Cycle Compass
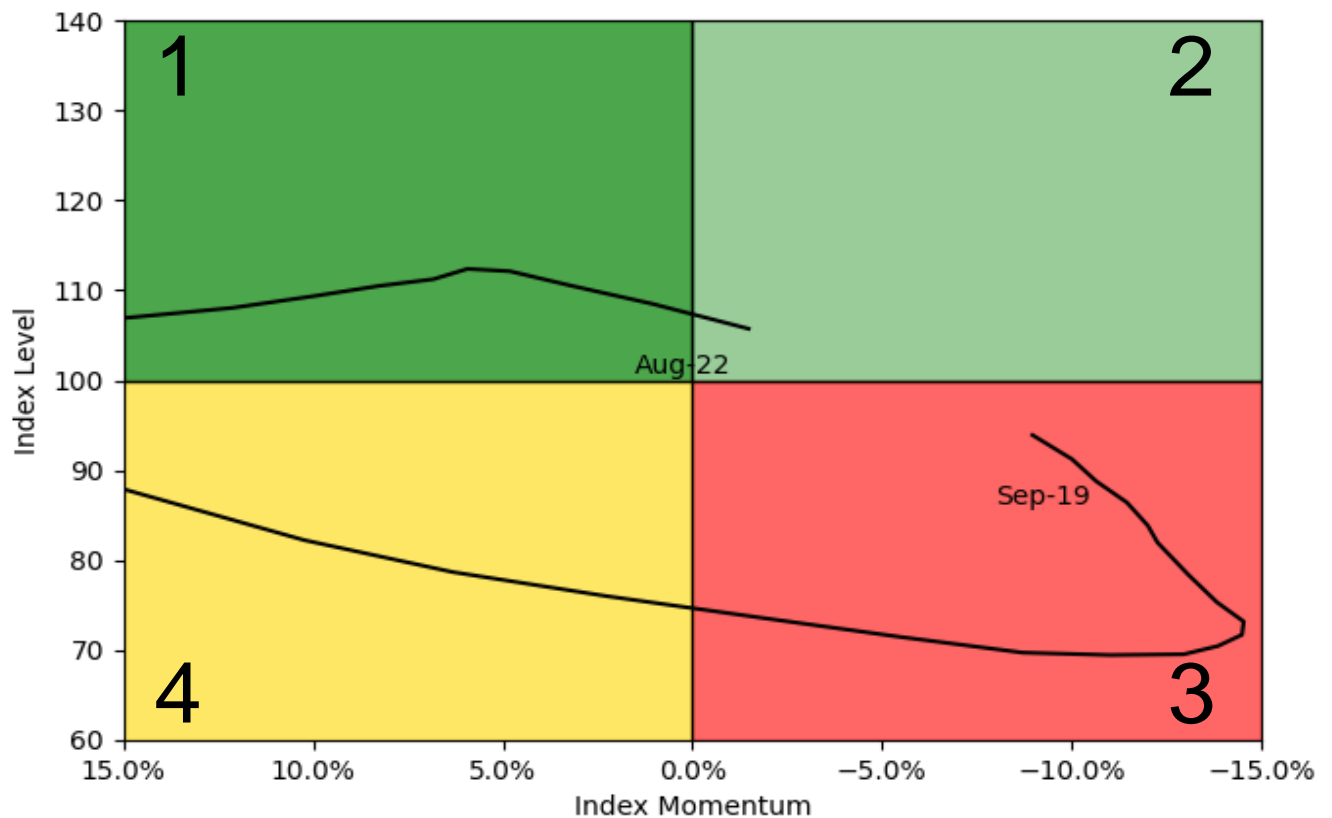
Note: Momentum calculated as 25% 6M Change, 75% 3M Average less 12M Average.
1 = Early Expansion, 2 = Late Expansion, 3 = Early Contraction, 4 = Late Contraction
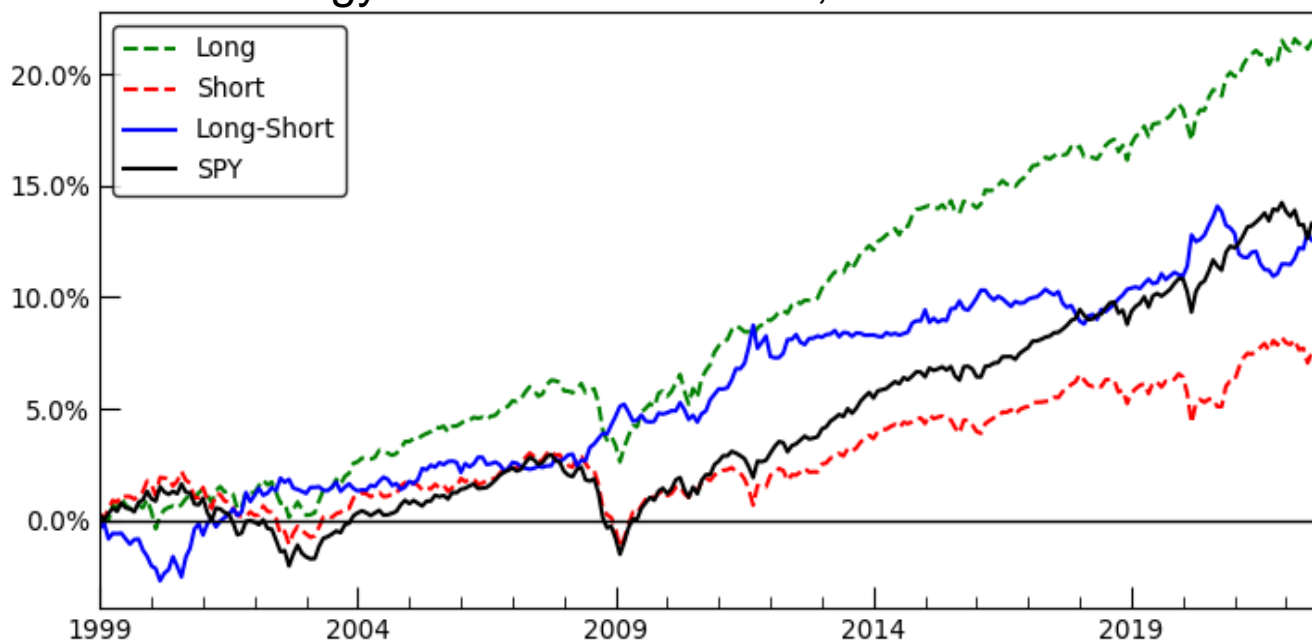
US Sector Rotation Strategy

US Sectors Information Ratios by Phase of Business Cycle

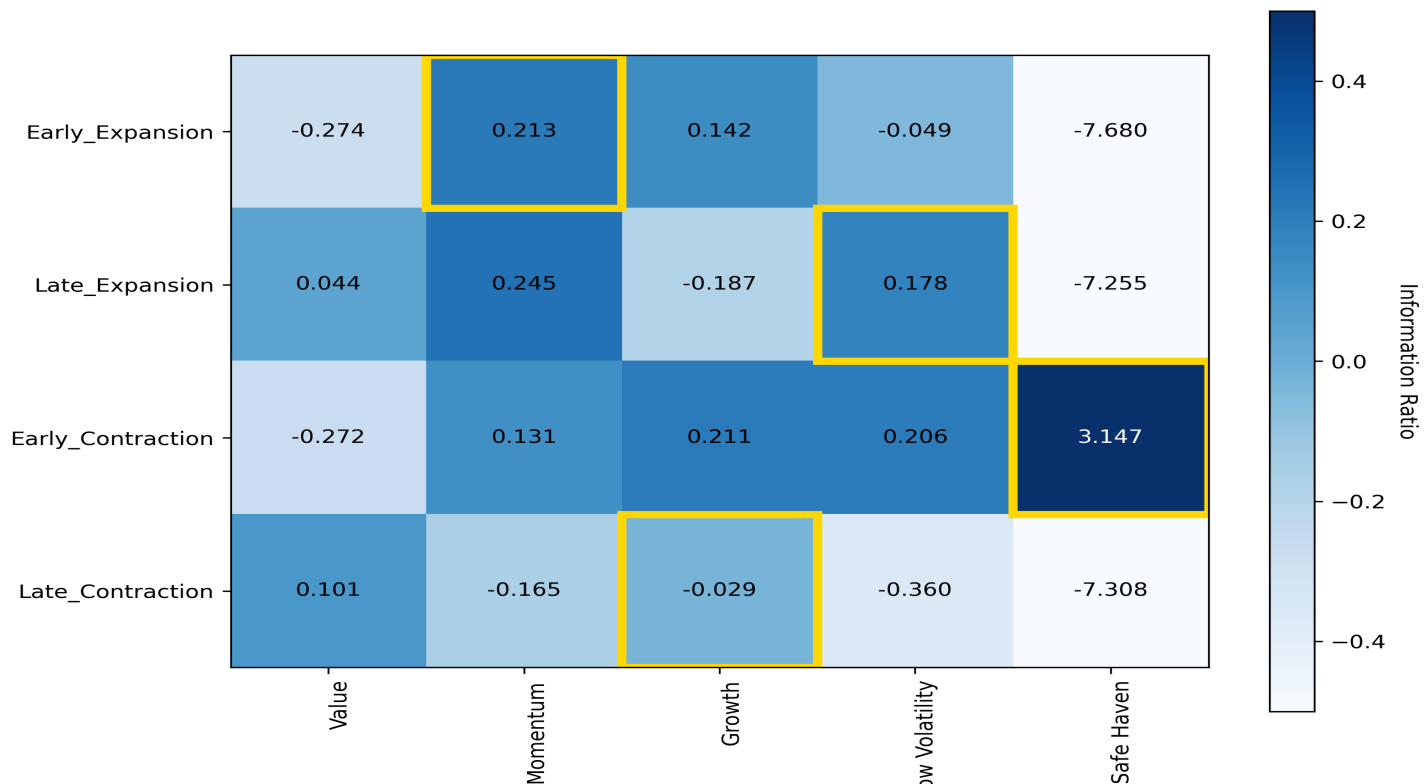Note: Green bars denote sectors with long position, red short, and grey neutral.
Sector returns based on SPDR Sector ETF returns from 1999-01-31 to 2022-08-31

## Sector Strategy Cumulative Returns, Risk Level 1%

US Factor Rotation Strategy

US Factors Information Ratios by Phase of Business Cycle

|	Value	Momentum	Growth	Low Volatility	Safe Haven
Early_Expansion	-0.274	0.213	0.142	-0.049	-7.680
Late_Expansion	0.044	0.245	-0.187	0.178	-7.255
Early_Contraction	-0.272	0.131	0.211	0.206	3.147
Late_Contraction	0.101	-0.165	-0.029	-0.360	-7.308

Note: Gold borders denote factors with long exposure during phase of Business Cycle.
Information Ratio calculated as factor excess return to S&P 500 Index, scaled by annualized volatility.
Returns sourced from period 1994-02-28 to 2022-08-31

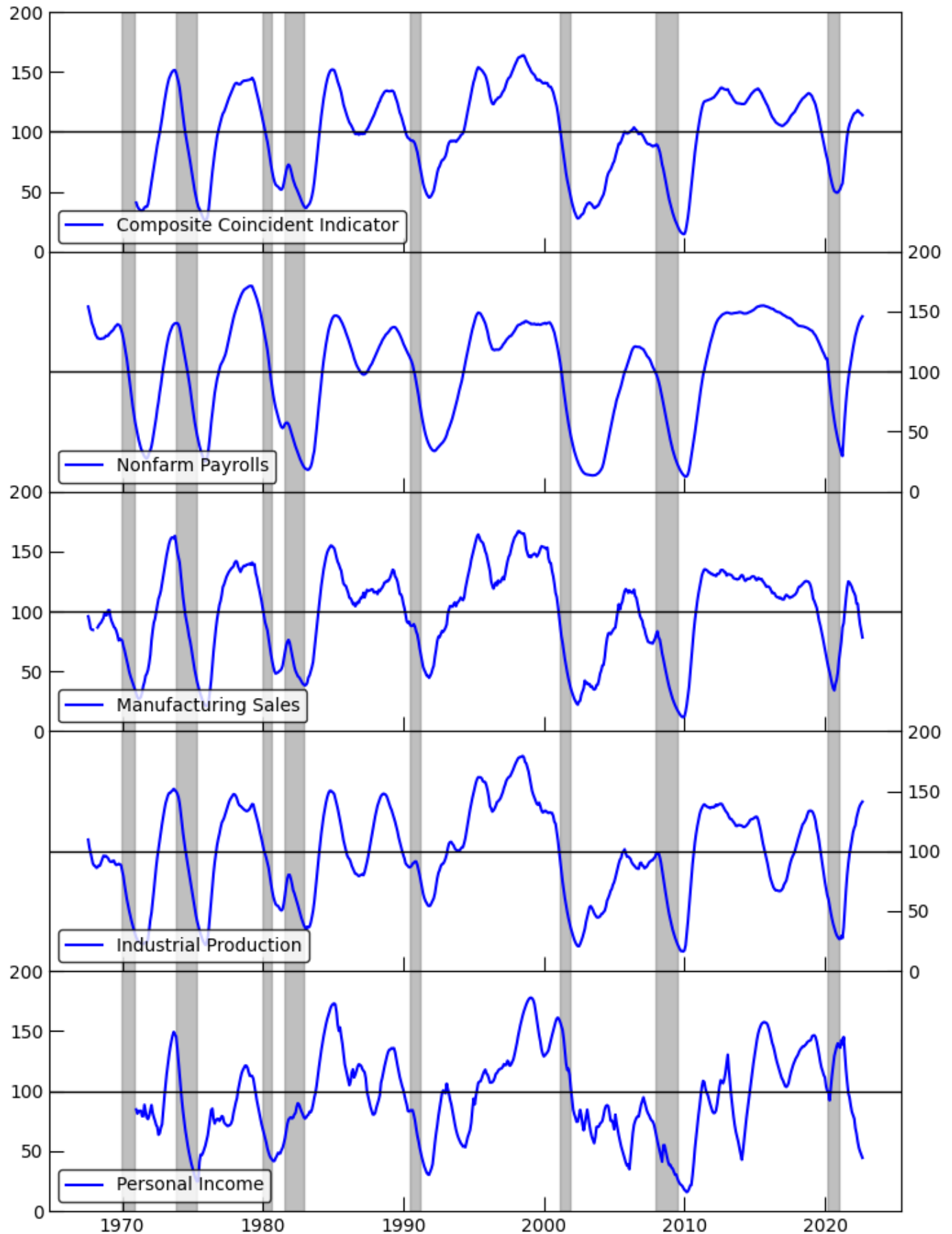## Factor Strategy Cumulative Returns, Risk Level 1%
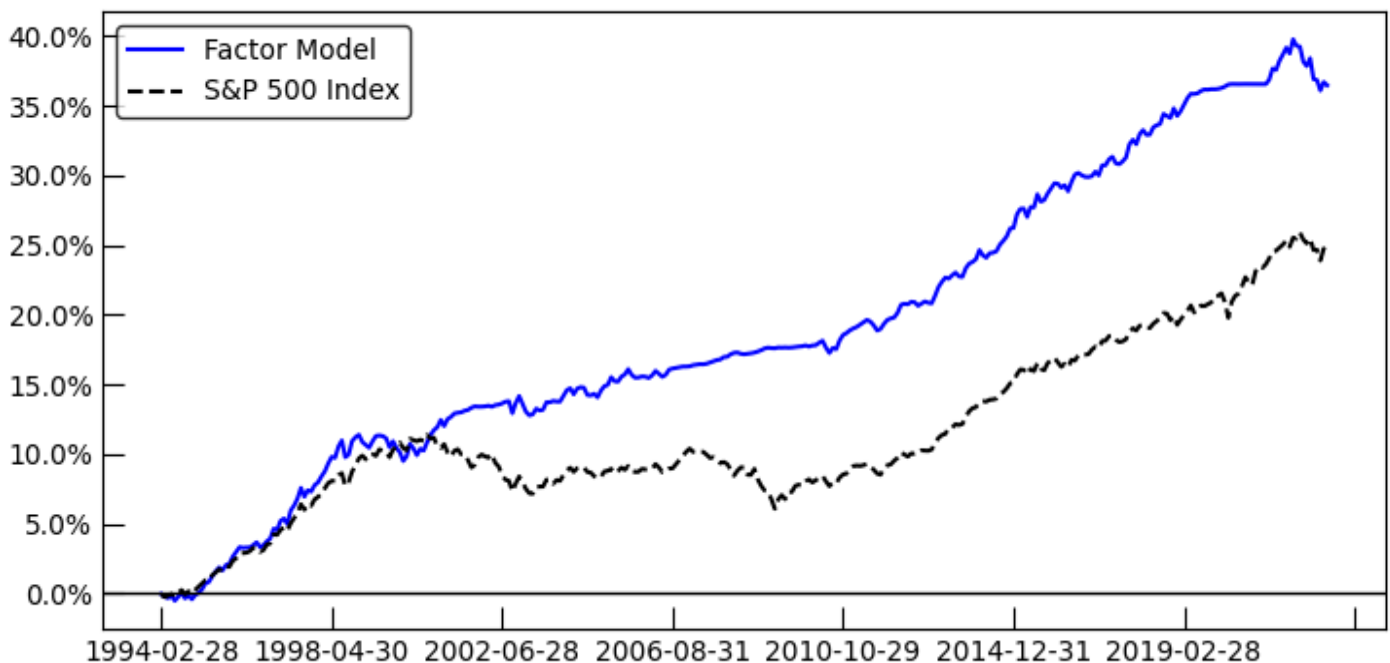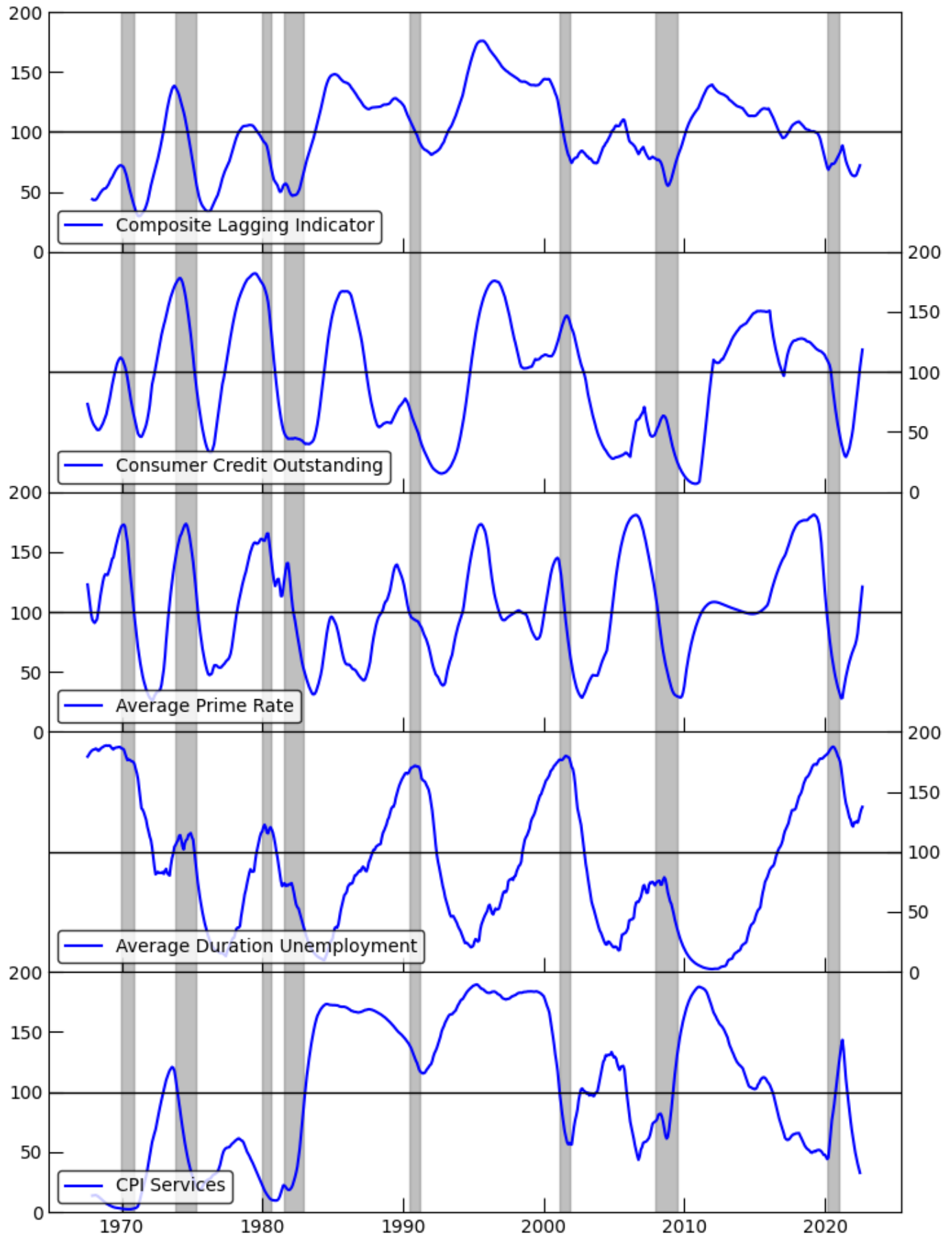
Composite Leading Indicators
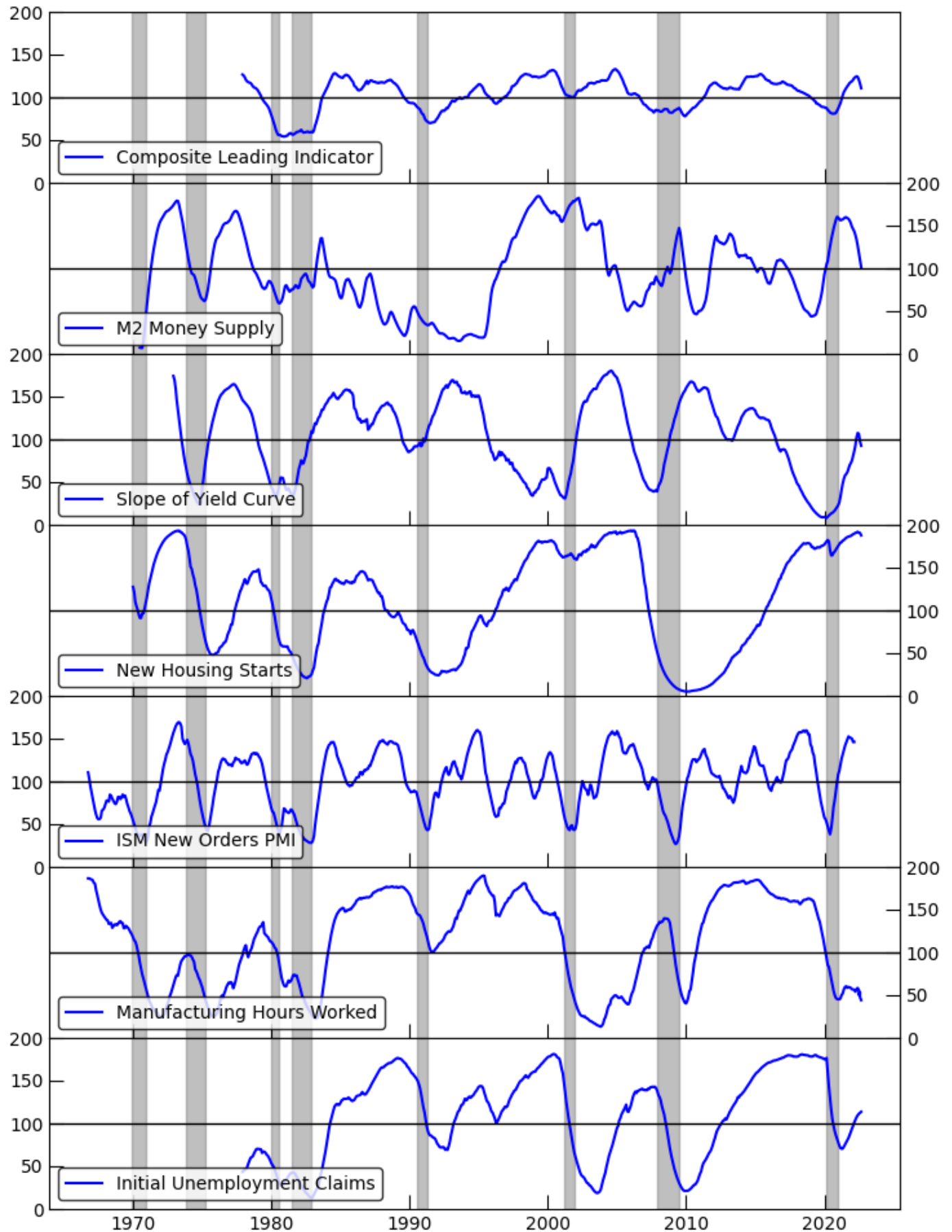
Note: Shaded areas represent US recessions as indicated by NBER.
Reading greater than 100 indicates expansion, less than 100 indicates contraction.

Composite Coincident Indicators

Note: Shaded areas represent US recessions as indicated by NBER.
Reading greater than 100 indicates expansion, less than 100 indicates contraction.

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Composite Lagging Indicators

Note: Shaded areas represent US recessions as indicated by NBER.
Reading greater than 100 indicates expansion, less than 100 indicates contraction.