

The Active Manager



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UNCOMMON KNOWLEDGE 2022 IS BACK, IN person, in Tampa, Florida, April 25-27. After two difficult years that changed the financial industry forever, we look forward to having the opportunity to exchange experiences and lessons learned face to face, to catch up with the lives of friends and business associates, and with sponsors who have supported our organization for many years, staying strong through our recent pandemic years.

For many members, returning in-person is a difficult decision. Covid variants are still with us and may be forever. There is a definite convenience to virtual meetings, without travel or the need to sleep in a strange room. Coming to Tampa also means overcoming a sense of inertia, and difficulty resuming old habits. The NAAIM board has been working hard to make certain that once you come back to in-person, you will never want to miss another conference.

Developing business relationships, building friendships that help you overcome obstacles your business faces, and the simple pleasure of exchanging ideas is so much easier and more effective face to face. We humans tend to be social creatures. We need social contact, and there is no better place to find that connection than NAAIM's Uncommon Knowledge 2022 conference!

The views and opinions of the authors are not necessarily those of NAAIM, its officers or Board of Directors.



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President's Letter



Matthew Spangler

IT'S HARD TO BELIEVE IT HAS been three years since NAAIM's last Uncommon Knowledge Conference. In 2019, we were at the Doubletree Resort in Scottsdale, Arizona, celebrating NAAIM's 30th year, wondering when the U.S. equity markets would break more than a decade without a 20% drawdown, and watching the New York Yankees take on the Arizona Diamondbacks. I had just completed a year as NAAIM vice president with responsibility for planning the Uncommon Knowledge and Outlook conferences and was looking forward to a less stressful year as President. We had no idea of the changes that would tear the world apart less than a year later.

NAAIM started the path back to what we once viewed as normality with the 2021 OUTLOOK conference last fall in Chicago, our first back together in-person gathering since the pandemic forced a last-minute cancellation of the 2020 Uncommon Knowledge Conference. With the 2022 Uncommon Knowledge conference in Tampa, Florida coming in just weeks, we are working to reclaim NAAIM's reputation as one of the best networking conferences in the industry.

Ryan Redfern and his agenda committee have assembled a solid, information-packed agenda, but the best part of the conference for me is always meeting the NAAIM members. If you did not make it to OUTLOOK 2021 and you are still wondering if you should be at Uncommon Knowledge, it's time to make your reservations and get back into the routine of in-person meetings. You don't realize how much you have missed interacting in-person with industry peers and friends until you walk back in that door. It's like jumpstarting your sense of purpose and enthusiasm.

There are conversations that you can have one-on-one that you don't get through Zoom or online meetings. In-person brings a completely different dynamic to an event. Engagement with others makes it possible to build relationships that you really can't do any other way.

We are also delighted to have a chance to welcome back mainstay sponsors who were among the first to support NAAIM 30 some years ago and hung in with us over the years of online meetings and limited opportunities to really explain their offerings. And we have new sponsors who are looking forward to meeting our membership and building durable relationships.

This is my first and last conference as NAAIM President. The intervening pandemic years have been a challenge, but it has been a good challenge. I feel like the NAAIM Board and all of our individual firms have grown. We've done some good

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Upcoming Highlights at UNCOMMON KNOWLEDGE 2022

Wondering what to expect at the 2022 Uncommon Knowledge Conference?

Come early on Sunday and take advantage of one of two special events –

1. The NAAIM Golf Classic, departing the hotel at 11:00 a.m. to a great golf course for a day on the greens.

2. The Solo Advisors Meeting, gathering at the Westin Tampa Waterside at 4 p.m. to discuss issues unique to small advisory firms and how to compete with larger, better funded competitors.

In the evening, meet fellow attendees at Uncommon Knowledge 2022 at the Welcome Reception, at the Westin Tampa Waterside.

Monday, Monday, Can't Wait for that Day!

Monday morning kicks off with the opening of registration, continental breakfast in the Sponsors Hall and a New Member Orientation at 7:45 a.m. At 8:45 a.m. NAAIM President **Matt Spangler** officially opens Uncommon Knowledge 2022 in the main conference room.

The information flow begins with **Deja vu 1982** by **Bradford Pineault CFA®**. Brad shares his thoughts on:

- Recession Probability in United States
- Inflation outlook and Monetary policy action
- Geo and Domestic Policy
- Why NOW is a good time to put money to work



Bradford Pineault

Brad Pineault is a Vice President and Capital Markets Strategist at Fidelity Institutional Asset Management, Fidelity Investments' distribution and client service organization where he works with Fidelity's Sales Professionals and their advisor clients. Brad also works with advisors to discuss certain sector strategies and to provide overall support on why sectors matter when it comes to building an investment portfolio.

At 10 a.m. it's off to explore Crypto Currency, starting with a presentation by Matt McCall of the Penn Financial Group - **How to Gain Exposure to Cryptos and Blockchain for Your Clients**. As more retail and institutional investors look to diversify into cryptocurrencies and the blockchain, advisors need to know what options are available. From coins to ETFs to stocks to NFTs, what is the best route for your practice?



Matt McCall

Matt McCall is the Director of Innovative Research at Stansberry Research behind several newsletters including *The McCall Report* and *Matt McCall's MegaTrend Investor*. Matt was also the founder and president of Penn Financial Group, an investment advisory firm serving individual and institutional clients. In 2021, Matt sold his firm to Stansberry Asset Management. As a serial

entrepreneur, Matt has sold several businesses from a crowdfunding firm to a fitness company. He has written two books and has appeared on TV more than 1,500 times as a paid contributor at Fox Business. His concentration is now on investing in the Roaring 2020s, which just happens to be the name of his upcoming book. By focusing on the biggest megatrends in the world, Matt shares his investment ideas

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with his subscribers and through his podcast, *Making Money with Matt McCall*.

Lunch is your first opportunity to sit down and talk with fellow attendees and sponsors for our 2022 event. Then it's back to the main conference room.

A highlight of the afternoon programs is **Thomas D. Giachetti** in **How to Successfully Navigate a Regulatory Exam in an Ever-increasing Aggressive Environment**.



Thomas D. Giachetti, Esq.

Attorney Tom Giachetti's legal practice is devoted to investment-related matters, including the representation of investment advisers, financial planners, broker-dealers, public and private investment companies, CPA firms and registered representatives throughout the United States. He is a frequent lecturer at securities industry compliance seminars, annual meetings, and educational programs throughout the country. Tom

takes a hard look at the increasingly aggressive approach of regulators during examinations, an approach which is at times, quite punitive. He addresses corresponding practice protection and liability issues to avoid and/or mitigate both adverse regulatory findings and client complaints, including full disclosure of conflicts of interest, advisory fees, custodial charges, share class selection, information security, effective initial client in-take and ongoing confirmation processes, and how to best prepare for a regulatory examination.

Following Tom is an opportunity to meet the conference's second Platinum Sponsor and a quick break, but not for long.



Sean Bailey

At 3 p.m. it's time for **The 4-Hour Advisor Marketing Code** with **Sean Bailey**, founding editor in chief of *Horseshmouth* (horseshmouth.com), a Manhattan-based company that creates educational programs for financial advisors on retirement planning, tax planning, IRA planning, estate planning, long-term care planning, Social

Security, Medicare, college planning, and cybersecurity. In his presentation Sean explains why most advisors fail to consistently grow their client base and how to change that reality. You'll learn: Why a stale value proposition may be impeding your new asset growth; What it takes to have a better than average market strategy that delivers qualified prospects; How to become a decent marketer even if you hate it, don't get it, or wish it wasn't necessary; and why it makes sense to embrace the role of financial educator.

Monday's agenda closes with **NAAIM Round Table**

Discussions offering attendees an opportunity spend two 45-minute sessions focusing on priorities that they face in their practices. Ask questions and network with fellow advisors for new perspectives and ideas.

At 5:30, it's time to relax, have a drink and look forward to more social conversation at the evening reception and dinner.

Hello, Ruby Tuesday



Dr. David Altig

Don't sleep in on Tuesday. You don't want to miss continental breakfast in the Sponsor's Hall, much less the opening presentation at 8:30 a.m. by **David Altig**, Executive Vice President and Chief of Research at the Federal Reserve Bank of Atlanta. When it comes to moving the market, there's no more influential entity than the Federal Reserve.

In addition to advising the Atlanta Fed president on monetary policy and related matters, Dr. Altig oversees

the Bank's Research Division, which includes the Bank's team of economists, the Regional Economic Information Network, and the Bank's Community and Economic Development team. In this role, Dr. Altig leads the Atlanta Fed's research and engagement portfolio on benefits cliffs. He also serves as a member of the Bank's Executive Leadership Committee, Discount Committee, executive leadership team for the Bank's Economic Mobility and Resilience strategic priority, and he is an executive cosponsor of the Bank's Working Families Employee Resource Network.

Following Dr. Altig's presentation, meet NAAIM's third, but by no means least, Platinum sponsor before plunging into

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Thank You

NAAIM SPONSORS

NAAIM's Uncommon Knowledge and fall OUTLOOK conferences could not happen without the support of our sponsors. In addition to their financial contribution, these companies have been invaluable putting NAAIM in touch with great speakers, offering webinars to our membership and providing great services and products to the NAAIM membership. Please contact them with your service and product needs and discover what they have to offer!

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GOLD SPONSOR



SILVER SPONSORS



INNOVATION SPONSORS



HackerCraft - Preventing the Breach by **Robert Krug**, Senior Security Architect. This presentation will provide an in-depth analysis of the latest trends, tactics, and news of the cyber threat landscape as seen from the eyes of a practicing security engineer. Once you have seen what the bad guys have been up to today, you will be exposed to a crash course of security best practices and architecture design that will help avoid the breach of tomorrow.



Robert Krug

Rob Krug has been in the network engineering and security space for over 30 years and is currently a Senior Security Architect serving multiple security firms. His background includes extensive work with telecommunications, network design and management, and most importantly network security. Specializing in security vulnerabilities his background includes extensive

training and experience in cryptography, ethical hacking, and reverse engineering of malware. His background includes having served in the United States Navy, as well as worked as both a Data Security Analyst and as a Director of Engineering for multiple international service providers and vendors. Rob has designed, implemented, and maintained some of the most complex and secure networks imaginable. And... He collects malware for fun...

The conference resumes after lunch with the **NAAIM Annual Membership Meeting**. This is an opportunity to catch up on the business of NAAIM over the past two years, hear committee reports and elect directors for the next two-year term. It's also the time when NAAIM recognizes outstanding service to the Association and achievements since our last in-person meeting in 2019.

At 1:45 p.m., marketing is back on the agenda with **From Ordinary to Unforgettable: How Top Advisors Blend Out** with **Diana Cabrices**, VP of Enterprise Development, SnappyKraken. The financial advice industry is fiercely competitive and it's getting harder and harder to capture prospect attention. How can advisors market themselves in a way that is captivating and irresistible to prospects? How can they blend out instead of blending in? (SPOILER ALERT: People don't care about the services advisors offer; they only care about one thing.) By exploring real life examples of companies that have revived their brands and revolutionized their

industries, Diana makes a compelling case for how to transform and transcend through a clearly defined set of actions any advisor can take. Those who attend this session will gain the insight needed to intentionally and predictably transform ice-cold prospects into insatiable brand ambassadors.



Diana Cabrices

Snappy Kraken is an award-winning automated growth program focused on lead generation and client engagement for financial advisors. Diana has worked with thousands of financial advisors and companies on modern marketing strategy, along with succession planning, M&A recruiting, and more. As an energetic speaker, Diana is passionate

about evolving the financial services industry by educating on topics beyond marketing, such as remote work life balance, leadership, and closing wealth gaps. She holds a B.B.A in Business Economics from Georgia State University, and is a first generation Cuban American with a commitment to empowering women in sales.

Take an afternoon break to spend some time with NAAIM's Gold sponsors in a series of breakout sessions. This is a great opportunity to discover new services and resources offered by NAAIM Sponsors.

Tuesday concludes with one of the most entertaining of the agenda items - **\$100,000 Business Ideas**. This is a free-wheeling NAAIM Member Panel Discussion with lots of audience participation as attendees share their best ideas and success stories over the last two years.

After a light reception, you are on your own for dinner. So make certain you've lined up plans with people you have found of interest over the last two days.

It's Already Wednesday

Time is running out to get every bit of good information you can from Uncommon Knowledge 2022. Continental breakfast is a 7:30 a.m. and by 8:30 you need to be in the main conference room for **How to Maintain the Next Generation Client** with a NAAIM Member Panel moderated by Jacob Deschenes, Era Capital Management. Your best clients are most likely your oldest clients. With age, unfortunately, comes eventual death. This discussion highlights ways to make their heirs your future clients.

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Uncommon Knowledge 2022

Sunday, April 24

11:00 AM
4:00 PM
7:00 PM

NAAIM Golf Tournament – Course to be Announced
Solo Advisors Meeting – Westin Tampa Waterside
Welcome Reception – Westin Tampa Waterside

Monday, April 25

7:00 – 8:30 AM
7:30 – 8:30 AM
7:30 AM
8:30 AM
8:45 – 9:45 AM
9:45 – 11:00 AM

11:00 – 11:30 AM
11:30 – 12:15 PM
12:15 – 1:30 PM
1:30 – 2:30 PM

2:30 – 3:30 PM
3:30 – 4:00 PM
4:00 – 5:30 PM

6:00 – 9:00 PM

NAAIM Board Meeting
New Member Welcome Orientation & Breakfast
Registration | Sponsor Hall Opens – Continental Breakfast
Welcome – Matt Spangler, NAAIM President
Déjà vu 1982- Brad Pineault, VP Capital Markets Strategy, Fidelity InstitutionalSM
How to Gain Exposure to Cryptos and Blockchain for Your Clients– Matt McCall, Director of Innovative Research, Stansberry Research
Refreshment Break – Sponsor Hall
TBA
Lunch and Sponsor Introductions
How to Successfully Navigate a Regulatory Exam in an Ever-increasing Aggressive Environment – Thomas D. Giachetti, Esq., Stark & Stark Attorneys at Law
The 4-Hour Advisor Marketing Code – Sean Bailey, Editor in Chief, Horseshmouth, LLC
Refreshment Break – Sponsor Hall
NAAIM Round Table Discussions | 2 Sessions | 45 Minutes each | Topics to be Announced
Monday Evening Dinner Event – Platinum Sponsors

Tuesday, April 26

7:30 – 8:30 AM
8:30 – 9:30 AM

9:30 – 10:45 AM
10:45 – 11:15 AM
11:15 – 12:15 PM
12:15 – 1:15 PM
1:15 – 1:45 PM
1:45 – 3:00 PM

3:00 – 3:30 PM
3:30 – 4:15 PM

4:15 – 5:00 PM
5:30 PM

Continental Breakfast – Sponsor Hall
Workforce Development and Benefits Cliffs: Our peculiar disincentives for career advancement - David Altig, Chief of Research, Federal Reserve Bank of Atlanta
HackerCraft - Preventing the Breach – Robert Krug, Senior Security Architect
Refreshment Break – Sponsor Hall
Riding Secular Bull Markets - Jeffrey Saut, Managing Partner, Saut Strategy LLC
Lunch
NAAIM Annual Membership Meeting
From Ordinary to Unforgettable: How Top Advisors Blend Out – Diana Cabrices, VP of Enterprise Development, SnappyKraken
Refreshment Break – Sponsor Hall
Gold Sponsor Breakout – ProFunds: Overview of the ProShares Bitcoin Strategy ETF (BITO) – the first U.S. bitcoin-linked ETF
\$100,000 Business Ideas – NAAIM Member Panel Discussion – attendee participation
NAAIM BBQ Party

Wednesday, April 27

7:30 – 8:30 AM
8:30 – 9:15 AM

9:15 – 10:00 AM

10:00 – 10:30 AM
10:30 – 11:15 AM
11:15 – 12:15 PM
12:15 – 1:30 PM

Continental Breakfast – Sponsor Hall
How to Maintain the Next Generation Client – NAAIM Member Panel: Moderator – Jacob Deschenes, Era Capital Management; Matt Spangler, Signal Research Group LLC
MACD-V: Volatility Normalised Momentum – Alex Spiroglou, NAAIM Founders Award 1st Place Paper Winner
Refreshment Break – Sponsor Hall
NAAIM – How to Leverage Your Member Benefits
What's Happening in Crypto? Jim Lee, Founder, StratFI
Closing Lunch



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The NAAIM Founders Award 1st Place Paper presentation is an opportunity to hear from the winner of NAAIM's annual white paper award and find out what ideas his paper brought to NAAIM's growing library of brilliant ideas and practical papers. Look for an upcoming announcement of the winner for 2022 and don't miss this explanation of the winning paper.

One of the discoveries of the past two Covid years was that many members have no idea what all the benefits of NAAIM membership include. **NAAIM – How to Leverage Your Member Benefits** is designed to help individuals get the most from their membership.

The last presentation of the 2022 conference takes us back to the beginning with a discussion of the future of crypto currency technology in **What's Happening in Crypto?** with **Jim Lee** of StratFI. Cryptocurrencies and NFT's have exploded in the past year. Meanwhile, the growth of DeFi and smart contracts is accelerating. These technologies will become part of a global financial platform that could eventually challenge mainstream institutions.



Jim Lee

In this presentation, Delaware's only professional futurist, Jim Lee, gives an overview of the blockchain "ecosystem." He dives into what's happening with crypto—and why we better pay attention. Jim Lee is an award-winning futurist and investment strategist. He is the author of **Foresight Investing: A Complete Guide to Finding Your Next Great Trade**. Jim is also the founder of StratFI, a boutique

investment advisory firm focused on "What Happens Next?"

Take a moment to decompress at the closing luncheon and make plans to connect throughout the year. Don't forget that there's much more of NAAIM to put to use beyond our great conferences. Make certain you've made notes of ideas you are going to put to work in your business as well as new resources and contacts within the NAAIM membership!

Welcome New Members

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BITOetf.com

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The price and performance of bitcoin futures should be expected to differ from the current “spot” price of bitcoin. These differences could be significant.

Carefully consider the investment objectives, risks, charges and expenses before investing. This and other information can be found in the summary and full prospectuses on ProShares.com. Read them carefully before investing.

There is no guarantee that ProShares Bitcoin Strategy ETF will achieve its investment objective. This ETF may not be suitable for all investors.

Bitcoin and bitcoin futures are a relatively new asset class and the market for bitcoin is subject to rapid changes and uncertainty. Bitcoin and bitcoin futures are subject to unique and substantial risks, including significant price volatility and lack of liquidity. The value of an investment in the ETF could decline significantly and without warning, including to zero. You should be prepared to lose your entire investment.

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Three Trading Advantages of Leveraged ETNs vs. Leveraged ETFs

BANK OF MONTREAL AND REX SHARES

DAILY RESETTLE LEVERAGED EXCHANGE-traded notes (ETNs) are a growing niche within the exchange-traded universe. However, they are often mistaken for their more popular cousin – the leveraged exchange-traded fund (ETF).

The problem? The product names sound similar. Both fall within the realm of exchange-traded products (ETPs), which makes them easy to mix up. However, a good rule of thumb to tell them apart is what they can offer. In this article, we discuss three features of leveraged ETNs that help to differentiate them. **ETNs can give you specific exposures, with no filler.** ETNs can have as few as 10 stock holdings, while ETFs typically need to own a minimum of 20 in order to satisfy certain U.S. federal tax requirements. Let's say you want to invest in Big Tech. Over the years, many investors used ETFs linked to the tech-heavy Nasdaq-100 Index to obtain access to the tech sector. These ETFs provide access to famous Silicon Valley names, such as Facebook, Amazon and Google. Those titans are in the index – but so are Pepsi, Costco, Starbucks and dozens of other consumer giants. In fact, according to Nasdaq's website, more than 46% of the Nasdaq 100 Index was weighted towards non-tech industries as of a recent date. Even ETFs linked to a technology focused index, such as the Technology Select Sector Index, may not have the focused exposure on technology leaders that some investors may seek – this index included more than 70 stocks as of a recent date, and omits 4 of the 5 members of FAANG (includes Apple but not Facebook, Amazon, Netflix or Google).

In contrast, ETNs can offer investors access to more narrowly tailored sector-specific baskets. For example, if a sophisticated investor seeks a leveraged ETN that's linked to an index focused on market leaders in the technology sector, such as the **Solactive FANG Innovation Index**, they can expect to see only 15 of the largest and most highly liquid technology stocks focused on building tomorrow's technology, today.

ETNs have limited risk of tracking error, even for leveraged solutions. An ETN is a debt security of a bank or a bank holding company, in which the issuer agrees to pay investors according to specified rules, and the performance of the underlying index. Accordingly, an investor's return is contractually linked to the performance of the securities that make up the index. In contrast, when investing in an ETF, an investor faces the potential risk of tracking error, in which the trading price of the ETF may not reflect the leveraged returns contemplated by the fund. For example, in periods of market volatility, the trading price of an ETF may substantially differ from the value of the assets that it holds. In addition, in some periods, such as during March 2020, some leveraged ETFs temporarily elected to, or were unable to, maintain the leveraged exposure contemplated by their fund prospectus.¹ Similarly, in recent years, some leveraged funds have elected

to permanently change their investment profile to reduce their leverage, for example, from 3x to 2x. These factors can cause the return of a leveraged ETF to differ substantially from an investor's expectations.

ETF issuers cannot launch 3x leveraged solutions after February 19, 2021. Another distinct difference is the amount of leverage new ETPs can offer; under Securities and Exchange Commission rules adopted in 2020, ETFs launched today are generally limited to 200% leverage. In contrast, ETNs can offer 300% as an inverse leveraged note or 300% or more as a leveraged note. Accordingly, in order to obtain the 3x leveraged exposure to new and innovative indices that an investor may seek, an ETN may be needed. REX Shares is constantly surveying the market for opportunities to create novel indices which issuers can use to create innovative new ETNs. Because as football legend Bill Parcells once said, "The best ability . . . is availability."

The Bottom Line

Sophisticated traders interested in leveraged or leveraged inverse trades are likely to obtain more precise exposures, with less tracking error risk, through an ETN. Learn more about leveraged ETNs and get ongoing access to our expert industry insights by signing up for our newsletter.

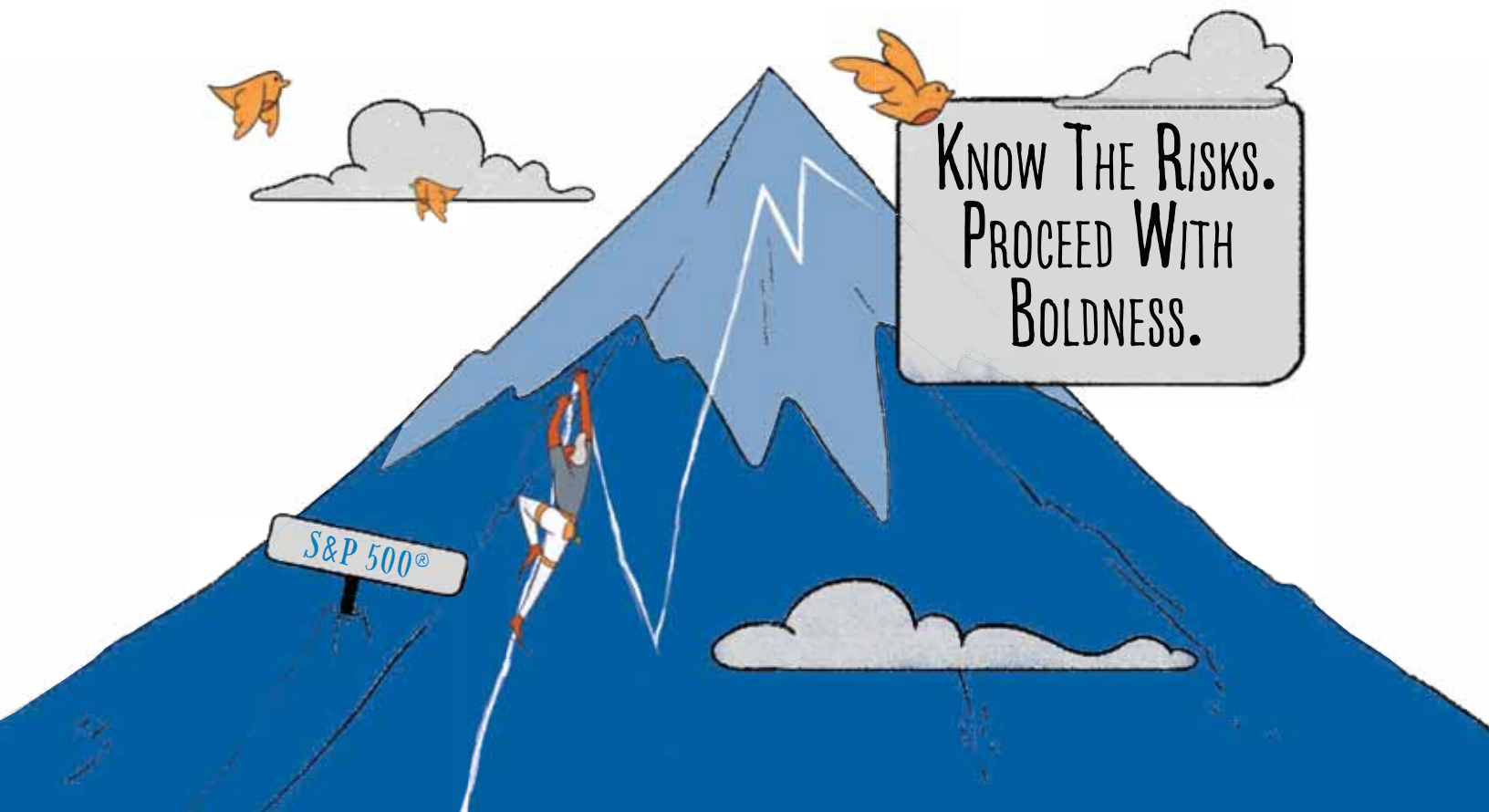
Sources:

1 See, for example, Direxion Daily Gold Miners Index Bull 3X Shares and Direxion Daily Junior Gold Miners Index Bull 3X Shares Underexposed at 3/26/2020 Market Open, Direxion Press Release; March 26, 2020.

Leveraged ETNs are intended to be daily trading tools for sophisticated investors to manage daily trading risks as part of an overall diversified portfolio. They are designed to achieve their stated investment objectives on a daily basis. The returns on the ETNs over longer periods of time can, and most likely will, differ significantly from the return on a direct long or short investment in the index.

Investors should carefully review the applicable offering documents for an ETN prior to making an investment decision.

Bank of Montreal, which participated in the preparation of this article, and is the issuer of ETNs described on REX's website, has filed a registration statement (including a pricing supplement, a product supplement, a prospectus supplement and a prospectus) with the Securities and Exchange Commission (the "SEC") about each of the offerings to which this free writing prospectus relates. Please read those documents and the other documents relating to these offerings that Bank of Montreal has filed with the SEC for more complete information about Bank of Montreal and these offerings. These documents may be obtained without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, Bank of Montreal, any agent or any dealer participating in these offerings will arrange to send the applicable pricing supplement, product supplement, prospectus supplement and prospectus if you so request by calling toll-free at 1-877-369-5412.



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Direxion Shares Risks – An investment in each Fund involves risk, including the possible loss of principal. Each Fund is non-diversified and includes risks associated with the Funds' concentrating their investments in a particular industry, sector, or geographic region which can result in increased volatility. The use of derivatives such as futures contracts and swaps are subject to market risks that may cause their price to fluctuate over time. Risks of each Fund include Effects of Compounding and Market Volatility Risk, Leverage Risk, Market Risk, Market Disruption Risk, Aggressive Investment Techniques Risk, Counterparty Risk, Intra-Day Investment Risk, and risks specific to the securities that comprise the S&P 500® Index. Additional risks include, for the Direxion Daily S&P 500® Bull 3X Shares, Daily Index Correlation/Tracking Risk and Other Investment Companies (including ETFs) Risk, and for the Direxion Daily S&P 500® Bear 3X Shares, Daily Inverse Index Correlation/Tracking Risk, and risks related to Shorting and Cash Transactions. Please see the summary and full prospectuses for a more complete description of these and other risks of each Fund.

President's Letter

CONTINUED FROM PAGE 1

things, learned new skills, served our clients well, and learned a lot about our own strengths. I am very proud of how NAAIM dealt with the pandemic, pivoting to bring value and content to our members through digital meetings and presentations and expanded communication. NAAIM was one of the first associations to return to an in-person event last fall, leading the way to our major, three-day conference, Uncommon Knowledge 2022.

I think it is a testament to the board and executive committee that we have come through the past two years with no drop in membership and many new members. In many ways the NAAIM board is stronger than ever, more innovative and open to changes. With their help, perhaps my next year as NAAIM Chairman will be my low-stress term.

If anyone deserves a low-stress term, however, it is Ryan Redfern, who has served as NAAIM Vice President since May 2019. He will be moving up to President after three years of developing NAAIM programs. Ryan has gone above and beyond in his duties switching the 2020 UK agenda to an online platform for 2020 and planning a series of online presentations to keep the NAAIM membership involved and learning. Together with the agenda committee, he developed a completely online 2020 OUTLOOK conference. When 2021 turned out to be another remote year, his agenda committee pulled together yet another series of online presentations to replace the UK conference for a second year, developed the agenda for OUTLOOK 2021 and then went on to shape the agenda for this year's conference.

NAAIM couldn't have pulled off all that we did over the last few years without Ryan. He did a fantastic job. I also want to thank the entire NAAIM board for their work throughout this long remote period. I learned so much from them. Paul Schatz has been an invaluable sounding board. NAAIM administrator Susan Truesdale has been great keeping everything going and organized. Our four main long-time sponsors, Advisors Preferred/CEROS, Direxion, Guggenheim and ProFunds hung in with us and have been most helpful. We really appreciate them and all the value and services they bring to our membership.

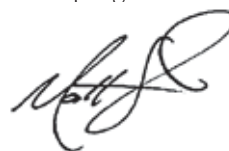
Looking ahead, NAAIM is working with consulting firms on ways to grow our association and add additional value and services for our members. Attracting new members brings new ideas, new energy, and new approaches to asset management and the membership. As a board, we are always trying to figure out ways to make NAAIM better, to increase the value that NAAIM has always had for its membership and grow that value. I am looking forward to seeing how NAAIM is going to evolve over the next 12-24 months as we implement new programs, encounter new ideas, and continue our ongoing activities.

2022 had a rather rough start as far as the market is concerned, but I am anticipating a good year. These types of markets are where we shine as active managers, when volatility gives us a chance to show the value of active management.

I encourage you to come to the conference. Be part of what we are doing here at NAAIM. Get involved. Interact with speakers, sponsors, and fellow members. It will only help your own practice and business. And best of all, you will have a great time doing so.

See you in Tampa April 25-27!

Sincerely,
Matt Spangler



NAAIM President



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Monday, April 25 | 10:00 – 11:00 AM EST

How to Gain Exposure to Cryptos and Blockchain for your Clients* - Matt McCall, Director of Innovative Research, Stansberry Research

2:30 – 3:30 PM EST

The 4-Hour Marketing Code - Sean Bailey, Founding Editor in Chief, Horsemouth (horsemouth.com)

Tuesday, April 26 | 9:45 - 10:45 AM EST

HackerCraft – Preventing the Breach* – Robert Krug, Senior Security Architect

11:15 – 12:15 PM EST

Riding Secular Bull Markets – Jeff Saut, Managing Partner, Saut Strategy

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Winning By Not Losing

BILL OVERTON

SOMEONE A LOT SMARTER THAN ME ONCE SAID, “It’s not that hard to make money if you’re never losing it.” Likewise, compounding doesn’t work if your gains are always making up for previous losses. The S.T.A.Y. active money management strategy that my associate, David Wilhite, has developed over 30 years, is based on this principle. Using market momentum indicators, portfolios are re-allocated into or away from equities. It has worked very well for a very long time and has kept our clients out of the major market crashes of the past two decades.

I recently received a call from someone at IDX Digital Assets promoting a cryptocurrency mutual fund. Normally, I don’t even take calls from those promoting mutual funds, but somehow this guy got through. As soon as I heard “crypto” I used my, “It’s not that hard to make money if you’re never losing it.” line, figuring that would end the call quickly and politely. Much to my surprise, he said that they used the same philosophy. Turns out, he wasn’t lying. Listening with *highly* skeptical ears, this is basically what I heard....

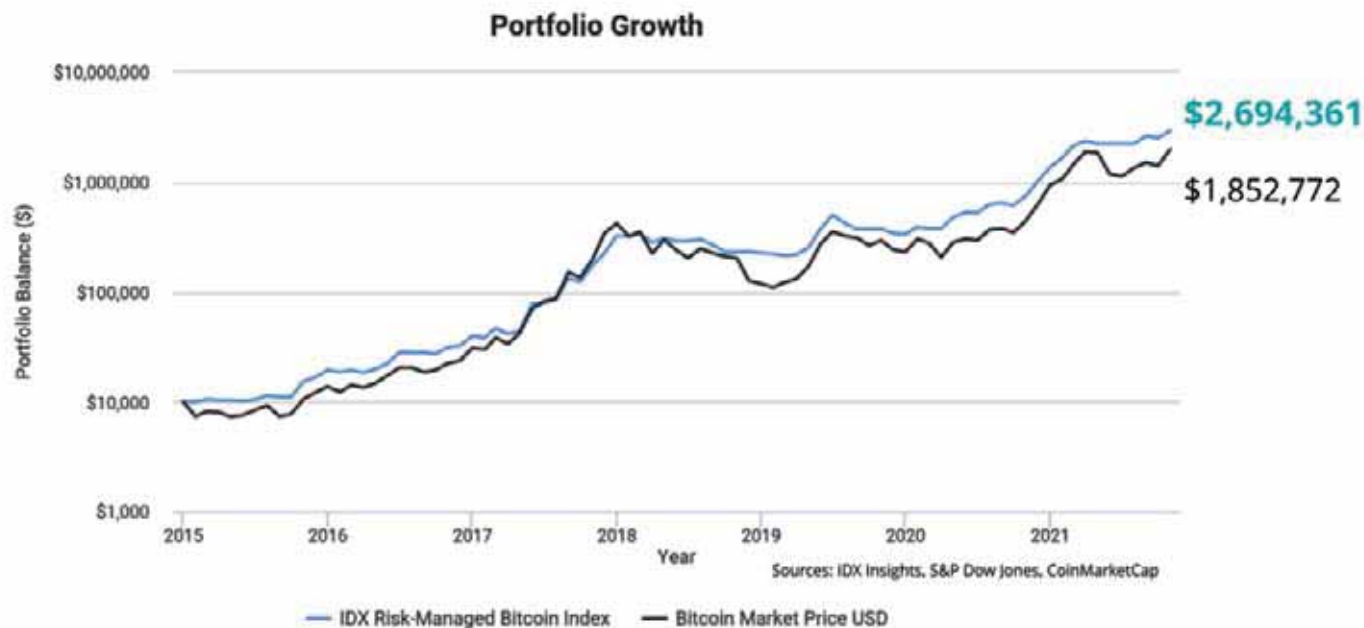
Digital Assets have historically demonstrated outsized volatility characteristics when compared against traditional asset classes. This volatility commonly exacerbates behavioral inefficiencies in investors and speculators. IDX seeks to make it easier for investors to participate in

the asset class via systematic, quantitative insights. The laws of compounding infer that a disciplined approach to mitigating large capital losses can have a profound effect on the mathematical increase in long-term compounded annual growth rates... The IDX Risk-Managed Bitcoin Index demonstrates the effectiveness of a risk-managed approach on the rates of positive compounding when comparing benchmark returns against BTC between 1/1/2015 and 11/30/2021.

During periods of outsized downside volatility, i.e. “Uncompensated Risk”, the IDX Risk-Managed Bitcoin Index navigates to a defensive posture, i.e. cash (USD). This is “Winning by Not Losing”. Over that time period (1/1/2015-11/30/2021), we found two notable differences between the IDX Risk-Managed Bitcoin Index and BTC:

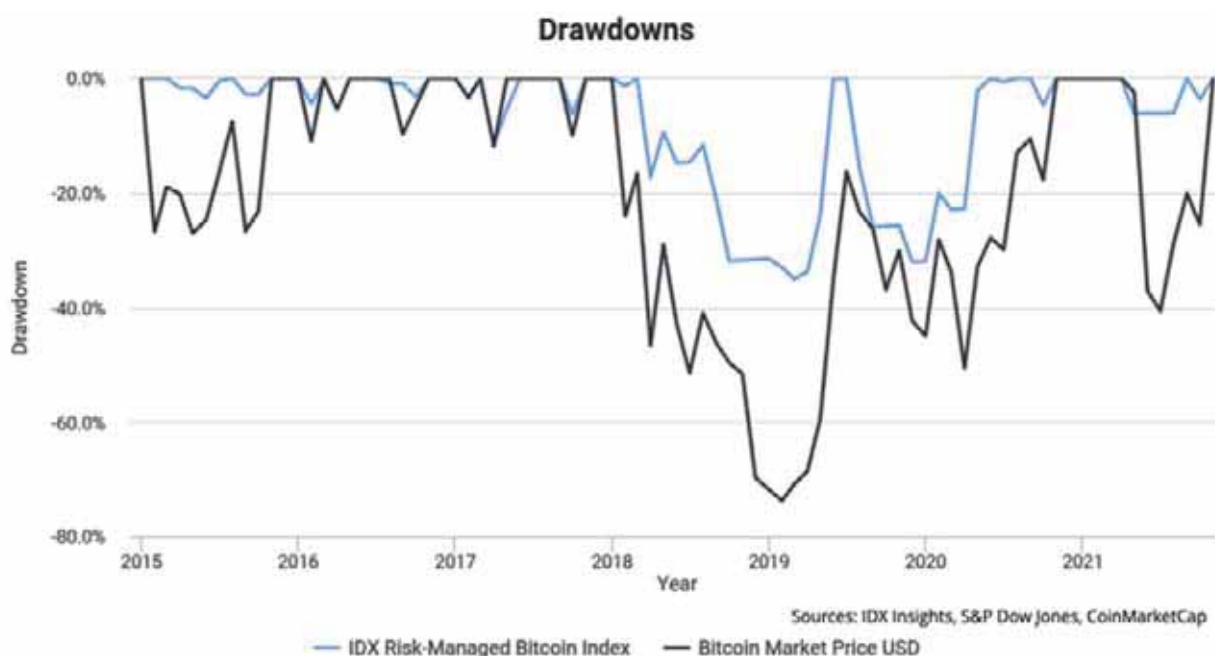
1. **Portfolio Growth;** the IDX Risk-Managed Bitcoin Index ended 11/30/21 with a balance of \$2,694,361(USD), with Bitcoin ending \$1,852,772(USD), an annualized compound rate of return difference of 11.8% (non-inflation adjusted).

continued next page



Winning By Not Losing

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2. **Depth and frequency of Drawdowns;**
Bitcoin's largest drawdown was 83%, of which there are two instances of BTC exceeding 70% reductions in value from peak. The IDX Risk-Managed Bitcoin Index experienced a maximum 35% reduction in value from peak during the same time period, i.e., Winning by not Losing.

So, even though the asset class that IDX deals with is very different than what we have used, they are applying a very similar strategy to avoid losing. It has been remarkably

validating to us that the exact same concept is being applied a different market and having excellent results.

Bill Overton came into the financial services industry in 2018 to work with David Wilhite at Advanced Financial Solutions, an independent RIA. Bill has an extensive background in enterprise technology sales as well as non-profit management. He is slated to take over the operation of Advanced Financial Solutions in the next five years as David moves into retirement. For more information on the author, visit afs-idaho.com. for information on IDX Digital assets visit <https://idx-us.com>.