

# Green Pastures All Weather Models

## Hypothetical Report Disclosure Statement

These disclosure statements are applicable for the following Green Pastures All Weather Models:

All Weather 50 / 50 Model

All Weather 60 / 40 Model

All Weather 70 / 30 Model

All Weather 85 / 15 Model

All Weather 100 / 0 Model

## Financial Terms And Definitions

**Annualized Compound (Geometric) Rate Of Return (ROR):** The annualized average return that assumes the same rate of return every year to arrive at the equivalent compound growth rate reflected in the Risk / Return Analysis data.

**Drawdown:** A Drawdown is any losing period during an investment record. It is defined as the percent retrenchment from an equity peak to an equity valley. A Drawdown is in effect from the time an equity retrenchment begins until a new equity high is reached (i.e. In terms of time, a drawdown encompasses both the period from equity peak to equity valley (**Length**) and the time from the equity valley to a new equity high (**Recovery**)).

**S&P 500 Price Index:** The Standard & Poor's 500 Price Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. The "500" is one of the most widely used benchmarks of U.S. equity performance.

## Risk Considerations

### **No Guarantee Against Loss**

The investment return and principal value of an investment will fluctuate so that a client's shares/units, when redeemed, may be worth more or less than their original cost. The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investing in securities involves investment risks including possible loss of principal and fluctuation in value. Green Pastures' trading strategies may or may not be profitable in the future and there can be no guarantee against loss. An investment in Green Pastures' trading strategies is not insured or guaranteed by the SIP, FDIC or any other government agency.

### **Past Performance Results May Not Be Indicative Of Future Performance Results**

Model performance results and hypothetical back-tested performance results have certain inherent limitations (see Green Pastures All Weather Models charts). Model performance results do not reflect the performance of an actual client account but rather the performance of a model account. Past performance results may not be indicative of future performance results and the performance of a specific individual client account may vary substantially from the model performance results. No current or prospective client should assume that future performance results would be profitable or equal the model performance results

reflected herein. Hypothetical back-tested performance results do not represent the results of actual trading but rather the results of the retroactive application of a model that was developed with the benefit of hindsight utilizing historical data. In addition, the hypothetical back-tested performance results may not reflect the impact that any material economic or market factors might have had on the adviser's decision-making if the adviser had actually been managing clients' money during that period. The performance results reflect the reinvestment of money market interest, dividends and other earnings and the deduction of the adviser's management fees but may be reduced by custodian fees and transaction fees.

The information contained herein may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

The information underlying all performance data has been gathered from third party sources that we believe to be reliable; however, no guarantee can be made with respect to its accuracy. This is not a solicitation to purchase securities, nor a solicitation for the rendering of investment advisory services. A copy of Green Pastures' current disclosure statement on Part 2 of Form ADV is available on request. Prospectuses are available on request.

### **Dependence On The Adviser**

The adviser exclusively makes all trading strategy decisions with respect to the Green Pastures All Weather Models. Since a client will be dependent on the Adviser's judgment and abilities, the client will not have the opportunity to evaluate fully for himself / herself the relevant economic, financial, and other information regarding the trading strategies. There is no assurance that the Adviser will be successful. Accordingly, no investor should become a client unless he /she is willing to entrust all aspects of the trading strategies to the Adviser. The investment returns of other clients of the advisor may differ materially from the investment portrayed.

### **Trading System Risks**

As with any quantitative trading strategy, Green Pastures' trading strategies have been based on a variety of statistical market data that may or may not be predictive of future market conditions. The statistical strategies were developed under certain market conditions that will necessarily change over time and may significantly affect investment performance. While Green Pastures devotes considerable time and resources to updating and adapting the strategies to new conditions, such conditions may not be capable of prediction or resolution within the strategies and no assurance can be given that the strategies will continue to trade profitably in the future.

### **Market Risks**

There is a significant degree of market risk to Green Pastures' trading strategies. Capital invested in sector, index or inverse index ETFs is at the risk of the market during the entire trading day. Accordingly, the trading strategies are subject to intraday price volatility and other short-term market risks. The level of such risk, as well as overall performance, is determined largely by the ETF managers and not by Green Pastures. While Green Pastures will endeavor to anticipate general price movements of indexes and other investments, unanticipated market movements may significantly affect the value of a client's investment.

### **Liquidity And Pricing Risks**

In general, U.S. ETFs must offer their shareholders the right to redeem shares at net asset value. However, in certain circumstances, such as a disruption of the orderly markets for the securities in which the ETFs trade, or the inability of an ETF to receive or process all redemption requests, Green Pastures' trading strategies might not be able to dispose of certain holdings, or may do so only at prices that do not represent true market value in the judgment of Green Pastures. This may prevent the Green Pastures' trading strategies from limiting losses or realizing gains. The ETF manager or custodian determines the redemption price, consisting of net asset value, unilaterally.

### **Leverage Risks**

Some of the underlying sector, index and inverse index ETFs that the Green Pastures' trading strategies invest in employ leveraged investment techniques. Leverage is the ability to obtain a return on a capital base, which is larger than the equity invested, and may involve the use of borrowed funds, options, futures contracts or other instruments.

Use of leverage can magnify the effects of changes in the value of the invested funds and make them more volatile. The leveraged investment techniques that some of the underlying sector, index and inverse index ETFs employ should cause the Green Pastures' trading strategies to lose more money in adverse environments.

### **Particular ETF Risks**

Green Pastures' trading strategies are exposed to a variety of risks related to the particular ETFs that they will invest in from time to time. Such risks include, but are not limited to, the following:

Green Pastures' trading strategies may invest in U.S. enhanced small-cap index ETFs. They could experience greater risks than an ETF, which invests primarily in U.S. large capitalized, widely traded companies such as:

- Small company stocks tend to have greater fluctuations in price than the stocks of large companies.
- There can be a shortage of reliable information on certain small companies, which at times may pose a risk.
- Small companies tend to lack the financial and personnel resources to handle industry wide setbacks and as a result such setbacks could have a greater effect on the companies' share prices.
- Small company stocks are typically less liquid than large company stocks and liquidating positions in turbulent market conditions could become difficult.

Green Pastures' trading strategies may also invest in U.S. enhanced mid-cap index ETFs. They could experience greater risks than an ETF, which invests primarily in U.S. large capitalized, widely traded companies such as:

- Mid-cap company stocks tend to have greater fluctuations in price than the stocks of large companies, but not as drastic as stocks of small companies.
- Stocks of mid-sized companies could be more difficult to liquidate during market downturns compared to larger, more widely traded companies.

Green Pastures' trading strategies may also invest in U.S. enhanced non-diversified large-cap index ETFs. They could experience greater risks than an ETF, which invests primarily in U.S. large capitalized, diversified, widely traded companies such as:

- Non-diversified large-cap index ETFs invest in large capitalized companies and tend to experience greater risks than an ETF which invests strictly in U.S. large capitalized, widely traded companies. In addition to the risks common to investing in large capitalized companies, non-diversified large-cap index ETFs may be subject to a number of other risks that may affect the value of the ETFs.
- Non-diversified large-cap index ETFs tend to be subject to concentration risk, the risk that the securities of issuers may be heavily weighted in sectors that the non-diversified large-cap index ETFs invest and will underperform the market as a whole. To the extent that the ETF's investments are concentrated in issuers conducting business in the same economic sector, the ETFs may be subject to legislative or regulatory changes, adverse market conditions and / or increased competition affecting that economic sector. The prices of the securities of issuers in the sectors may fluctuate widely due to risks of rapid technological change and obsolescence of products, high technology and research costs, intense competition, subsidized foreign competition, the economic performance of their customers, and regulatory requirements of federal / state / local / foreign governments.

Green Pastures' trading strategies may also invest in U.S. non-diversified inverse index ETFs. They could experience greater risks than an ETF, which invests primarily in U.S. large capitalized, diversified, widely traded companies such as:

- Non-diversified inverse index ETFs short sale companies and tend to experience greater risks than an ETF which invests strictly in U.S. large capitalized, widely traded companies and may be subject to a number of other risks that may affect the value of the ETFs.
- Non-diversified inverse index ETFs tend to be subject to concentration risk, the risk that the securities of issuers may be heavily weighted in sectors that the non-diversified inverse index ETFs short sale and will underperform the market as a whole. To the extent that the ETF's short sales are concentrated in issuers conducting business in the same economic sector, the ETFs may be subject to legislative or regulatory changes, adverse market conditions and / or increased competition affecting that economic sector. The prices of the securities of issuers in the sectors may fluctuate widely due to risks of rapid technological change and obsolescence of products, high technology and research costs, intense competition, subsidized foreign competition, the economic performance of their customers, and regulatory requirements of federal / state / local / foreign governments.

- Non-diversified inverse index ETFs are subject to short sales risk. Short sales are transactions in which an ETF sells a security it does not own. If a security the ETF sold short goes down in price between the time the ETF sells the security and closes its short position, the ETF will realize a gain on the transaction. Conversely, if a security the ETF sold short goes up in price between the time the ETF sells the security and closes its short position, the ETF will realize a loss on the transaction. The risk of such price increases is the principal risk of engaging in short sales.

Green Pastures' trading strategies may also invest in U.S. enhanced sector ETFs. They could experience greater risks than an ETF, which invests primarily in U.S. large capitalized, widely traded companies such as:

- Sector ETFs invest in large capitalized companies, small company stocks and mid-cap company stocks and tend to experience greater risks than an ETF, which invests strictly in U.S. large capitalized, widely traded companies (see descriptions of small company stock risk factors and mid-cap company stock risk factors above). In addition to the risks common to investing in large capitalized companies, small company stocks and mid-cap company stocks, sector ETFs may be subject to a number of other risks that may affect the value of the ETFs.
- Sector ETFs tend to be subject to sector concentration risk, the risk that the securities of issuers in the sectors that the sector ETFs purchase will underperform the market as a whole. To the extent that the ETF's investments are concentrated in issuers conducting business in the same economic sector, the ETFs may be subject to legislative or regulatory changes, adverse market conditions and / or increased competition affecting that economic sector. The prices of the securities of issuers in the sectors may fluctuate widely due to risks of rapid technological change and obsolescence of products, high technology and research costs, intense competition, subsidized foreign competition, the economic performance of their customers, and regulatory requirements of federal / state / local / foreign governments.
- Sector ETFs tend to be subject to small issuer risk. Many securities of issuers in the sectors are relatively small and are thinly traded securities. Many securities of issuers in the sectors may offer one or a limited number of rapidly obsolescing products or may not yet offer products or offer a single product, and may have persistent losses during a new product's transition from development to production or erratic revenue patterns.

Green Pastures' trading strategies may also invest in bond ETFs:

- Bond ETFs are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds held in an ETF generally decline. As the prevailing level of bond interest rates decline, the value of bonds held in an ETF generally rise. ETFs that hold bonds are subject to declines and increases in value due to general changes in interest rates.
- Bond ETFs may invest in bank loans and senior debt. Bank loans and senior debt are impacted by the risks associated with fixed income in general, including interest rate risk and default risk. These loans and debt obligations are often non-investment grade and, therefore, the risk of default is high. Bank loans and senior debt are also relatively illiquid. Bond ETFs that invest in bank loans and senior debt are often highly leveraged, producing a high risk of return volatility.
- Bond ETFs may invest in tax-free municipal bonds. The income from tax-free municipal bond ETFs may be subject to state and local taxation and the Alternative Minimum Tax.
- Bond ETFs may invest in high-yield bonds. ETFs that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the ETF and may be subject to a higher level of volatility and an increased risk of default.
- Bond ETFs may invest in Exchange Traded Notes ("ETNs"). ETNs are unsecured debt obligations. ETFs that invest in ETNs are subject to the issuer's ability to repay its debt obligations. ETNs typically do not pay interest.

Green Pastures' trading strategies may also invest in international / emerging market ETFs:

- International ETFs involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards.
- Emerging market ETFs may accentuate these risks.

Green Pastures' trading strategies may also invest in money-market mutual funds:

All Weather Models Disclosure Statement / Last Update: 6/30/2024

- Money-market mutual funds are investment companies that invest in commercial paper, bankers acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pay money market rates of interest. Money-market mutual funds are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money-market mutual funds seek to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the mutual fund.

### **The Markets In Which The Company Competes Are Highly Competitive**

The investment industry in general, and the markets in which the Green Pastures' trading strategies trade in particular, are extremely competitive. In pursuing its trading methods and strategies, the Green Pastures' trading strategies compete with investment firms, including many of the larger investment advisory and private investment firms, as well as institutional investors. In relative terms, the Green Pastures' trading strategies will have little capital and may have difficulty in competing in markets in which its competitors have substantially greater financial resources, larger research staffs, and more traders than the Green Pastures' trading strategies have or expect to have in the future. In any given transaction, trading activity by other firms will tend to narrow the spread between the price at which a futures interest may be purchased by the Green Pastures' trading strategies and the price they expect to receive upon consummation of the transaction.

### **Importance Of General Market Conditions To Profitability**

Most traders are more likely to, although there can be no assurance that they will, trade profitably during periods when major price movements occur. Such movements generally occur in any given market only infrequently, and during periods of static or "whipsaw" markets it is unlikely that the Adviser will achieve profits for the Green Pastures' trading strategies.

### **Failure Of Counterparties**

Green Pastures' trading strategies may be unable to recover client assets in the event of the bankruptcy of any counterparty with whom they trade.

### **Federal And State Income Tax Risks**

Due to the trading activity employed by the Green Pastures' trading strategies, an investor is strongly urged to consult his / her own tax adviser about possible federal, state and local tax consequences to the investor of an investment in Green Pastures' trading strategies. Tax consequences may differ for different investors, and an investor could be affected by future changes in tax laws. No tax ruling or legal opinion is being sought as to any tax matters.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL RISKS INVOLVED IN AN INVESTMENT IN THE GREEN PASTURES' TRADING STRATEGIES. PROSPECTIVE INVESTORS SHOULD READ GREEN PASTURES' INFORMATIONAL MATERIAL, AND THE UNDERLYING ETF PROSPECTUSES IN THEIR ENTIRETY, BEFORE DETERMINING WHETHER TO INVEST.**