

QAS Model Portfolio Program Update

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2022 Year-End Performance, News and Market Outlook

Best Performing Strategy Overview

The QAS S-122 Gold Long-Short Strategy was an "Excess Return" leader in 2022. It has outperformed the benchmark (Gold spot) by +18.1%, returning +18.0% (v. -0.09% Benchmark) as of Dec 31, 2022. The strategy follows QAS's proprietary 4-Regime long-short quantitative algorithm including 2x leveraged and -2x inverse ETFs positions. It served well as a diversifier of traditional stocks-bonds portfolio, and actually delivered positive returns during this "structural bear-market" year.



"Consistent Alpha While Managing Risk"



Top 10 Model Performance Sorted by Excess Return

The QAS G-600T Asia-Pacific ex. Japan Strategy has delivered a high Excess Return (+15.3%) in 2022 by effectively executing its algorithmically driven stock selection and rebalancing process. This strategy returned -4.0% vs. -19.3% (AAXJ ETF Benchmark). The Top 5 holdings currently are: KTXG Corp (033780.KS), MGM China (2282.HK), China CYTS (600138.CH), Central Plaza HT (CENTEL.TB), Hengan Intl (1044.HK).

The QAS S-134 US Micro-Cap Strategy has continued generating a consistent Excess Return in 2022 (+12.6%), returning -7.0% vs. -19.6% (IWW Benchmark). This strategy is following our proprietary stock selection and rebalancing algorithm.

#	QAS Index ID	Benchmark	Investment Theme	Instruments/ Portfolio Structure	QAS Index Name	QAS Index Ret% 2022	Benchmark Ret% 2022	Excess Return 2022	QAS Index Ret% 3-Yr Cumul.	Benchmark Ret% 3-Yr Cumul.
1	S-122	GLD	Gold Long-Short	ETFs Rotation	QAS Gold Long-Short	18.0%	-0.1%	18.1%	25.5%	18.9%
2	G-600T	AAXJ	Asia-Pacific ex. Japan Equity	Stock Selection, Long-Only	QAS Asia-Pacific ex Japan 20 Stock Selection	-4.0%	-19.3%	15.3%	17.1%	-4.2%
3	S-134	IWW	US Micro-Cap	Stock Selection, Long-Only	QAS US Micro-Cap Stock Selection	-7.0%	-19.6%	12.6%	66.8%	22.4%
4	S-133	IWM	US Small-Cap Equity	Stock Selection, Long-Only	QAS US Small-Cap 20 Stock Selection	-8.7%	-20.7%	11.9%	20.9%	9.5%
5	S-131	FXI	China All-Cap Equity	ETFs Rotation	QAS China All-Cap with Protection	-13.1%	-21.5%	8.5%	-6.4%	-30.7%
6	I-082	TOPIX 500	Japan Equity	Stock Selection, Long-Only	QAS Japan 20 Stock Selection	-10.7%	-15.2%	4.5%		
7	G-427	FTAL	UK Equity	Stock Selection, Long-Only	QAS UK 20 Stock Selection	-5.9%	-10.2%	4.3%	9.0%	-2.6%
8	S-128	HYG	Global High-Yield Bond with Max Protection (Conservative Cash Plus/ Low Vol)	ETFs Rotation	QAS Global High-Yield Bond with Protection	-6.9%	-11.0%	4.1%	3.5%	-3.4%
9	S-126	AGG	US High-Yield/ Treasury Rotation. Synthetic Core Bond Exposure.	ETFs Rotation	QAS US High-Yield and Treasury Rotation	-13.4%	-13.1%	-0.3%	-2.6%	-6.7%
10	S-127	SPY	US Equity Opportunity All Terrain	ETFs Rotation	QAS US Equity Opportunity All Terrain	-19.9%	-18.4%	-1.5%	22.0%	25.0%

2022 Summary and 2023 Market Outlook

Despite severe market conditions across all asset classes in 2022, many of our thematic strategies delivered meaningful excess returns. Our Gold Long-Short ETF rotation and "long-only" international stock selection models are among the main "excess-return" leaders.

Our current risk configurations for the major equity and bond indexes are cautiously optimistic as our long-term momentum markers are still relatively weak. However, we are encouraged with early evidence of some sort of stabilization/ bottoming formation process among various market segments.



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