



Cabana

December 2023

TARGET INCOME PORTFOLIO

The Target Income Portfolio was released at Cabana in April 2021 and is designed for investors seeking a steady stream of income, while minimizing sequence of return risk as well as overall drawdown through a tactical allocation model. The portfolio seeks a yield in excess of 4%, increasing as interest rates rise. This portfolio uses a semi-active, tactical process whereby Cabana’s Cyclical Asset Allocation Algorithm ("CARA") seeks to identify macro changes in the economic cycle and allocate investment to the assets that perform relatively well at the identified point in the cycle.

WHAT IS TARGET INCOME?

The Target Income portfolio seeks to provide consistent income to investors through the receipt of dividends and bond interest paid by the portfolios’ underlying holdings. The portfolio is all asset and comprised of entirely of ETFs. While focused on yield, the portfolio allows for capital appreciation and is diversified. The Target Income portfolio employees Cabana’s proprietary algorithm CARA throughout the economic cycle in an effort to mitigate risk and allocate investment to those particular assets that are believed to be attractive at any given point. This portfolio is actively managed and target a current SEC 30 day yield of at least 4%.

Quick Facts

Portfolio Manager:	G. Chadd Mason
Minimum Investment:	\$5,000
Portfolio Type:	All Asset
Inception Date:	May 13, 2021
GIPS Compliant:	Yes
Expense Ratio:	0.32%

Yield Statistics

Current Yield (Mo-End)	8.20%
Target Minimum Yield	4%

Standard Deviation

Std Dev 1 Yr (Mo-End)	8.29%
Std Dev 3 Yr (Mo-End)	NA
Std Dev 5 Yr (Mo-End)	NA

Global Investment Performance Standards

Cabana claims compliance with the Global Investment Performance Standards (GIPS®).

The Target Income Portfolio has been performance examined consistent with GIPS® standards. [The Target Income Portfolio GIPS® Composite Report can be accessed here.](#)



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Scene as of 12/31/2023

Transitional Bullish (Improving)

Scene change occurred on 12/18/2023.

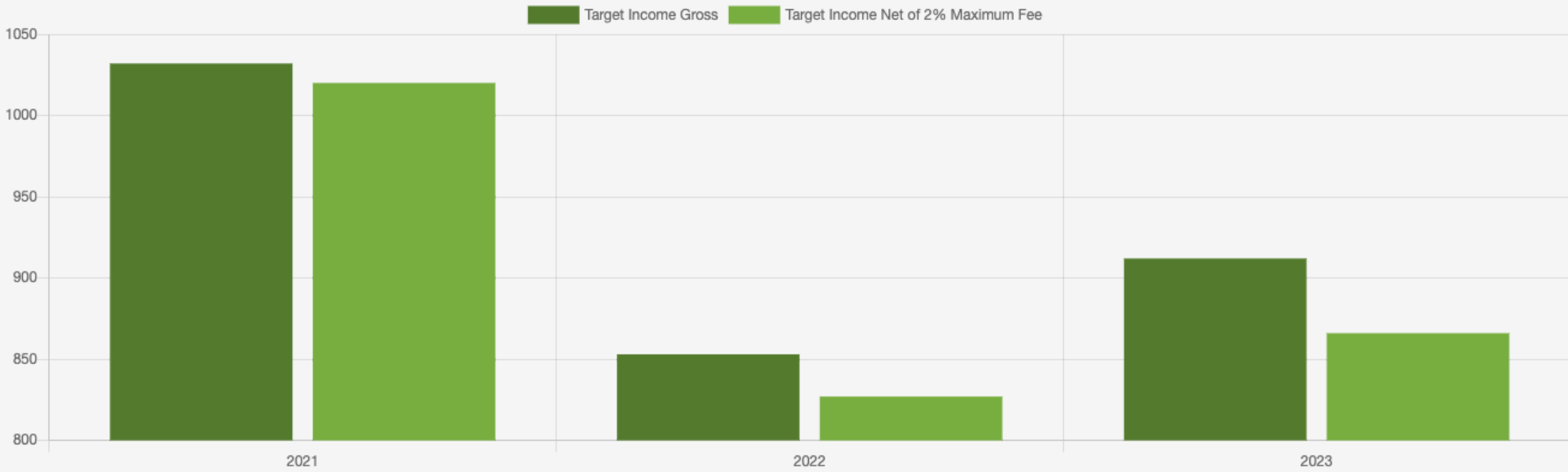
Typical of a bull market cycle resumption following a correction or bear market. Higher beta risk assets, including small- and mid-cap equities, as well as technology may be attractive and outperform fixed income assets such as treasuries, bonds and preferred stocks.

Asset Allocation



- US Fund Aggressive Allocation
- US Fund Global Allocation
- US Fund High Yield Bond
- US Fund Corporate Bond
- US Fund Preferred Stock
- US Fund Ultrashort Bond
- US Fund Derivative Income
- US Fund High Yield Muni
- US Fund Financial
- US Fund Real Estate

Growth of \$1,000



Past performance is no guarantee of future results. Please refer to Page 2-3 for important disclaimers.

Monthly Performance 2023

Fund/Benchmark Name	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Target Income Portfolio Gross	3.63%	-3.55%	0.35%	-0.14%	-1.44%	1.95%	0.68%	-2.91%	0.30%	0.45%	2.72%	4.94%	6.84%
Target Income Portfolio Net	3.46%	-3.71%	0.18%	-0.31%	-1.60%	1.78%	0.51%	-3.07%	0.13%	0.28%	2.55%	4.76%	4.73%
SPY - S&P500	6.29%	-2.51%	3.71%	1.60%	0.46%	6.48%	3.20%	-1.63%	-4.74%	-2.17%	9.13%	4.57%	26.10%
AGG - U.S. Aggregate Bond	3.33%	-2.67%	2.64%	0.58%	-1.14%	-0.37%	-0.02%	-0.63%	-2.59%	-1.57%	4.59%	3.70%	5.66%
25% SPY/75% AGG	4.07%	-2.63%	2.91%	0.83%	-0.74%	1.34%	0.79%	-0.88%	-3.13%	-1.72%	5.73%	3.91%	10.53%

Annual Returns

Fund/Benchmark Name	2023	2022	2021
Target Income Portfolio Gross	6.84%	-17.33%	3.22%
Target Income Portfolio Net	4.73%	-18.96%	2.02%
SPY - S&P500	26.10%	-18.25%	14.25%
AGG - U.S. Aggregate Bond	5.66%	-13.02%	0.72%
25% SPY/75% AGG	10.53%	-14.10%	4.04%

Trailing Returns

Trailing returns are annualized for periods greater than one year. The table below is as of December 31, 2023.

Fund/Benchmark Name	1 Year	3 Year	5 Year	Since Inception
Target Income Portfolio Gross	6.84%	NA	NA	-3.51%
Target Income Portfolio Net	4.73%	NA	NA	-5.42%
SPY - S&P500	26.10%	NA	NA	6.54%
AGG - U.S. Aggregate Bond	5.66%	NA	NA	-2.95%
25% SPY/75% AGG	10.53%	NA	NA	-0.48%

Risk Statistics

Since inception

Fund/Benchmark Name	Alpha	Beta	Sharpe Ratio	Up Capture	Down Capture
SPY - S&P500	-7.52%	0.37	0.30	27.07%	50.00%
AGG - U.S. Aggregate Bond	-1.53%	0.82	-0.68	51.38%	68.46%
25% SPY/75% AGG	-3.86%	0.73	-0.27	59.92%	83.78%

Target Income Portfolio Disclaimer

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The performance returns, benchmark comparisons, and metrics in this factsheet represent actual composite returns during a time when actual client funds were invested.

SPY returns reflect the deduction of all expenses and transaction costs incurred by the SPY ETF.

Unless otherwise indicated, performance data, benchmark comparisons, asset allocation charts, drawdown, and other statistics are for illustrative purposes, calculated as of end of month, and shown gross of advisory fees but net of trading costs. Asset allocation may vary intramonth if a reallocation has occurred.

Performance data is expressed in U.S. dollar currency and it includes the reinvestment of dividends and capital gains.

Consistent with our ongoing third-party GIPS verification efforts, Cabana will from time to time and without notice, make minor non-material updates and corrections to performance data which do not significantly impact performance. These changes will be reflected on the most recent fact sheets and independent verification reports, as applicable.

Net performance includes a maximum investment advisory fee of 2%.

Benchmark indices will materially differ from Cabana’s portfolios.

SPY: SPY is an ETF that tracks the performance of 500 leading U.S. publicly traded companies. The ETF returns reflect the deduction of all expenses and transaction costs incurred by the SPY ETF. As of 31 December 2023, the expense ratio was 0.09%. The SPY ETF returns reflect the closing prices, which are determined by the last traded price of the ETF.

AGG: AGG is an ETF that tracks the performance of an index composed of the U.S. investment-grade bond market. The ETF returns reflect the deduction of all expenses and transaction costs incurred by the AGG ETF. As of 31 December 2023, the expense ratio was 0.03%. The AGG ETF returns reflect the closing prices, which are determined by the last traded price of the ETF.

The custom blended benchmark is comprised of 25% SPY and 75% AGG. The custom blended benchmark is calculated by weighting the respective ETF returns on a monthly basis.

GIPS composite selection criteria includes the following: The account must meet Cabana’s definition of discretion as outlined in your GIPS policies and procedures, the account must meet the composite description as outlined in the GIPS Report and P&P, the account must meet composite membership policies, the account must meet the specific composite/s minimum account size rule, the account cannot violate the composite’s significant cash flow policy for the given month.

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Past performance is no guarantee of future results. All investment strategies have different degrees of risk and the corresponding potential for profit or loss. Asset allocation and diversification will not necessarily improve returns and cannot eliminate the risk of investment losses.

“Target Drawdown”, “Target Beta”, “Target Leading Sector” and “Target Income” are all merely descriptive terms used to describe the general strategies and objectives of the portfolios, targets are not a guarantee, nor should they be construed to suggest safety or protection from loss. There is no guarantee that portfolio performance will remain consistent with the targeted parameter. While risk tolerance and portfolio objectives are identified on the front end for each portfolio, Cabana’s algorithm does not take any one client’s situation into account and there is no guarantee that Cabana’s strategies will be suitable for any investor. Investors and advisors should not simply rely on the name of any portfolio to determine what is suitable. It is the responsibility of investment advisors to determine what is suitable for their clients.

Cabana manages assets on multiple custodial platforms. Performance data, statistics, including drawdown, and asset allocation for specific investors will vary based upon differences in associated costs, inflows and outflows, custodial fees, and asset availability during the reporting period and may not be identical to reported data. All references to Cabana’s proprietary algorithm in this fact sheet refer to the most current version of the algorithm as of the date this fact sheet is published.

The performance returns shown in this piece are derived from a composite of accounts that executed trades in strict accordance with Cabana investment strategies. Investors will not achieve the same performance returns if their account did not execute trades in strict conformance with Cabana’s trade signals.

Cabana’s Scenes refer to the recognized market segments utilized within CARA. “Scenes” assigned as per the judgment of The Cabana Group. Recognized Scene names and number of scenes have changed over time and may vary across investment strategies.

Investing involves risk including possible loss of principal. There is no guarantee the portfolio will meet its objective. The principal risks of the portfolio include: The portfolio may purchase ETFs at prices that exceed the net asset value of their underlying investments and may sell at prices below such net asset value, which will likely incur brokerage costs. Commodity-related companies may subject the ETFs to greater volatility than investments in traditional securities. Investments in foreign securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Investing in emerging markets involves different and greater risks, as these countries are substantially smaller, less liquid and more volatile than securities markets in more developed markets. The market value of fixed income investments may change in response to interest rate changes. During periods of rising interest rates, the value of fixed income securities generally decline. The market price of a security or instrument could decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. Risks include declines in the real estate market, decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters. A portfolio and its underlying ETFs may invest a significant portion of its assets in one or more sectors and thus will be more susceptible to the risks affecting those sectors. The small- and mid-capitalization companies in which an ETF invests may be more vulnerable to adverse business or economic events than larger, more established companies.

Cabana's judgments about the markets, the economy, or companies may not anticipate actual market movements, economic conditions or company performance, and these judgments may affect the return on your investment. The quantitative model used by Cabana may not perform as expected, particularly in volatile markets. In addition to the risks listed above, the portfolios also include Early Close/Trading Halt Risk, Credit Risk, Equity Risk, Issuer-Specific Risk, Large-Capitalization Risk, U.S. Government Securities Risk, Limited Authorized Participants, Market Makers and Liquidity Providers Risk, Model and Data Risk, Operational Risk, Trading Risk and New/Smaller Fund Risk.

The Risk Number® is a proprietary scaled index developed by Nitrogen (formerly known as "Riskalyze") to reflect risk for both advisors and their clients. One of the most important drivers of the Risk Number is the measurement of downside risk in a portfolio. Cabana's Portfolios performance is submitted to Nitrogen and the portfolios are given a "Risk Number" for advisor analysis. More on these calculations can be found at www.nitrogenwealth.com.