



## TARGET INCOME PORTFOLIO

As investors search for income and interest rates remain historically low, the need for reliable income investment strategies is more important than ever. 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. Like all Cabana portfolios and products, it utilizes the firm's proprietary Cyclical Asset Reallocation Algorithm ("CARA") to evaluate the repeating economic cycle and allocate assets accordingly.

### Quick Facts

Portfolio Manager:	G. Chadd Mason
Minimum Investment:	\$5,000
Target Drawdown:	12%
Inception Date:	May 13, 2021

Current Yield (Mo-End)

2.99%

### Global Investment Performance Standards

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

riskalyze  
Search for: #CABANATI



## WHAT IS TARGET DRAWDOWN?



Cabana numerically quantifies acceptable levels of risk by identifying a "target drawdown" percentage for each portfolio at the onset of the investment process.



Monthly returns are used to calculate the drawdown percentage. This method of measurement creates a new "high-water mark" each time the portfolio's value increases, which means drawdown is determined from a portfolio's highest value, not from an investor's starting balance.



Drawdown is defined as the maximum loss, or amount an investment can be expected to fall, from peak to trough during adverse market conditions.



This portfolio utilizes Cabana's target drawdown approach with the goal of minimizing losses where possible - especially losses that exceed the portfolio's target drawdown parameter (in this case, 12%). This investment philosophy allows clients to remain fully invested at all times, set expectations for loss, and actively participate in favorable market conditions.

## Monthly Performance 2022

Fund/Benchmark Name	Jan	Feb	Mar	April	May	YTD
Target Income Portfolio Gross	-2.15%	-1.24%	-1.94%	-7.76%	-1.89%	-14.24%
Target Income Portfolio Net	-2.31%	-1.40%	-2.11%	-7.91%	-2.06%	-14.95%
Morningstar Moderately Conservative TR	-3.20%	-1.46%	-0.78%	-5.05%	0.35%	-9.82%
SPY	-5.27%	-3.00%	3.70%	-8.78%	0.23%	-12.88%
Morningstar Category: Tactical Allocation	-4.45%	-1.68%	0.52%	-4.86%	0.22%	-9.96%

## Annual Returns

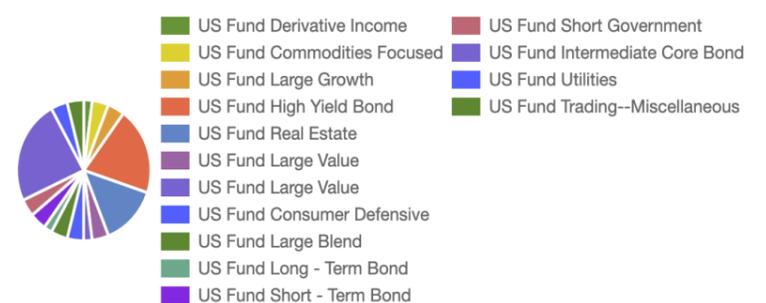
Fund/Benchmark Name	2022	2021
Target Income Portfolio Gross	-14.24%	3.22%
Target Income Portfolio Net	-14.95%	2.02%
Morningstar Moderately Conservative TR	-9.82%	2.61%
SPY	-12.88%	14.25%
Morningstar Category: Tactical Allocation	-9.96%	4.44%

## TDSA

### Target Drawdown 5 ETF

On September 17, 2020, Cabana released a series of Target Drawdown ETFs that follow the firm's flagship Target Drawdown Strategy. The Target Drawdown 5 ETF (TDSA) is one of five ETFs utilized within the Cabana Target Income Portfolio, with the goal of providing a foundation of stability, consistent yield and historical performance. Other third-party ETFs make up the remainder of the portfolio in order to satisfy the underlying objectives of the strategy.

### Asset Allocation



## Target Income Portfolio Disclaimer

Cabana LLC, dba Cabana Asset Management (“Cabana”), is an SEC registered investment adviser. Cabana only transacts business in states where it is registered or is exempted from registration requirements. Registration as an investment adviser is not an endorsement of Cabana by securities regulators and does not mean that such investment adviser has achieved a specific level of skill or ability. Additional information regarding Cabana, including its fees, can be found in Cabana’s Form CRS and Form ADV Part 2A, copies of which are available upon request or online at <https://thecabanagroup.com/form-crs> and <https://thecabanagroup.com/adv-part2> or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This material is proprietary, and is not to be copied, reproduced, altered, deconstructed, or distributed without the express written consent of Cabana LLC. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, accounting, or personalized investment advice. You should consult your own tax, legal, accounting, and financial advisors before engaging in any transaction.

The performance returns, benchmark comparisons, and metrics in this factsheet represent actual composite returns during a time when actual client funds were invested. 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 intra-month 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 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. Target Drawdown is identified on a gross of advisory fees but net of trading costs basis. Net performance includes a maximum investment advisory fee of 2%. Morningstar’s Moderately Conservative Target Risk (<http://glossary.morningstar.com/InvGlossary/morningstar-target-risk-indexes.aspx>) index follows a moderately conservative equity risk preference and is based on well-established asset allocation methodology from Ibbotson Associates, a Morningstar company. SPY is an ETF that tracks the performance of 500 leading U.S. large cap companies. The funds in the Morningstar Tactical Allocation Category ([http://im.mstar.com/im/newhomepage/Morningstar\\_Category\\_Definitions\\_US\\_June\\_2016.pdf](http://im.mstar.com/im/newhomepage/Morningstar_Category_Definitions_US_June_2016.pdf)) seek to provide capital appreciation and income by actively shifting allocations across investments. All indexes and categories are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses. Benchmark indices will likely materially differ from Cabana’s portfolio strategies. Detailed information as to how the returns are calculated can be obtained online from the following link: <https://thecabanagroup.com/disclaimers/performance-reporting-methodology/>.

The Target Income Portfolio invests primarily in Cabana’s Target Drawdown ETFs (“Cabana ETFs”), in addition to other third-party ETFs. Cabana serves as sub-advisor to the Cabana ETFs and is responsible for the execution of their investment strategy. The Cabana ETFs were launched in partnership with private label ETF advisor Exchange Traded Concepts (“ETC”), and Cabana receives an asset management fee for its investment advisory services related to Cabana’s ETFs. The investment strategy employed to manage the Cabana ETFs is similar to that of Cabana’s other Target Drawdown products and utilizes Cabana’s proprietary algorithm, though each product type has some material differences and performance will vary. Detailed information regarding Cabana’s ETF can be found in the offering documents, which are available at <https://thecabanagroup.com/etf-prospectus/>.

GIPS® is a trademark of the CFA Institute. The CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive a GIPS Report and/or a firm’s list of composite/pooled fund descriptions please email your request to [info@thecabanagroup.com](mailto:info@thecabanagroup.com).

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” is merely a descriptive term used to describe the general strategy and objective of the portfolio, it is not a guarantee, nor should it be construed to suggest safety or protection from loss. There is no guarantee that portfolio performance will remain consistent with the targeted drawdown parameter. While risk tolerance and targeted “drawdown” are identified at the outset 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.

© 2021 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Riskalyze is an award winning, third party independent risk alignment platform. Risk Scores are proprietary to Riskalyze, modeled using actual and hypothetical information, and intended only for informational and educational purposes. More information about Riskalyze and its methodology can be found at [www.riskalyze.com](http://www.riskalyze.com).