

Resilient Portfolio Update

Investment Consulting

February 17th, 2026

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Executive Summary: We have further diversified the Resilient Sleeve with the addition of AQR Diversifying Strategies (QDSIX). To make room for QDSIX, we have reduced our position in Stone Ridge Diversified Alternatives (SRDAX). We believe AQR is well positioned in the current high valuation, high volatility environment to deliver favorable risk-adjusted returns with near zero correlation to the U.S. equities.

Fund	Style	Previous	Current
Stone Ridge Diversified Alternatives I (SRDAX)	Diversifier	25.0	12.5
AQR Diversifying Strategies I (QDSIX)	Diversifier	0.0	12.5
Ares Capital Corp (ARCC)	Fixed Income Alternatives	8.3	8.3
Victory Pioneer CAT Bond Y (CBYYX)	Fixed Income Alternatives	16.7	16.7
iShares North American Natural Res ETF (IGE)	Real Assets	8.3	8.3
iShares Core USREIT ETF (USRT)	Real Assets	8.3	8.3
VanEck Rare Earth & Strat Mtls ETF (REMX)	Real Assets	8.3	8.3
JPMorgan Equity Premium Income ETF (JEPI)	Equity Alternatives	25.0	25.0

AQR Firm: AQR Capital Management is a global investment management firm that specializes in quantitative research and systematic investing. Founded in 1998 by Cliff Asness, David Kabiller, and John Liew, AQR employs a data-driven approach to develop investment strategies across a wide range of asset classes, including equities, fixed income, commodities, and alternative investments. The firm combines advanced mathematics, statistics, and computer science to analyze financial markets and make decisions based on rigorous models and research.

AQR Fund: The AQR Diversifying Strategies Fund is a multi-strategy alternative mutual fund that seeks capital appreciation through a diversified blend of alternative investment strategies. Rather than relying on a single market bet, the fund allocates across six of AQR's affiliated alternative mutual funds — covering approaches such as multi-asset tactical positioning, equity-market-neutral, style premia, managed futures, global macro, and diversified arbitrage. AQR will actively vary the weights to these underlying six funds based on their return forecast.

Portfolio Characteristics: QDSIX has returned 12.6% with a risk of 6.4% resulting in a very high historical sharpe ratio of 1.4 over the last 5 years ending December 2025. The 5-year correlation to the S&P 500 has been .09, while the correlation to bonds has been -.15. The management fee for this fund and the underlying funds combined is 1.27%.

Client Considerations: Some individual client portfolios may have either significant unrealized capital gains or other operational constraints, and as such may not be immediately affected by these swaps. In these situations, we will watch for opportunities to make these changes over time.

Information contained herein is at a point in time and subject to change without notice. Information is derived from sources which are believed to be reliable, but are not independently audited.

Wealthcare cannot guarantee any specific financial return results for any client. Past performance is not a guide to future returns. All investments carry a degree of risk of loss of principal and there is no assurance that an investment will provide positive performance over any period of time. These recommendations are made within the context of Wealthcare Portfolios, not as individual Mutual fund investments. Investors should consult with their advisor to determine which Wealthcare model is appropriate for their situation.

