

MarketDesk Quantitative ETFs

Quarterly Letters

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Introduction

This quarterly letter provides a view into the positioning, performance, and portfolio activity of MarketDesk's two quantitative ETFs (FMTM and FDIV). Both strategies apply a systematic, rules-based framework across all market environments. The pages that follow review 2Q 2026 on a fund-by-fund basis, covering each strategy's rebalancing activity, exposures, and key drivers of performance.

Note from Our Founders

The MarketDesk investment philosophy is grounded in two core beliefs. First, we believe in systematic, rules-based strategies that remove emotion from investment decisions and apply a consistent framework across all types of market environments. Second, we believe that long-term outperformance requires focused portfolios with high active share.

Each of our funds reflects these core philosophies. Our team designed both quantitative strategies to address what we see as limitations in traditional factor strategies. FMTM rebalances monthly and employs a shorter lookback signal to keep the fund's exposure fresh and to continually seek out new areas of emerging momentum. FDIV focuses on identifying companies with a high dividend yield and a high potential for capital appreciation.

Investing is often a hard and humbling endeavor. We approach markets through a rules-based, probabilistic lens that is grounded in research. Our focus isn't on being right all the time, but on being consistent over time. There will inevitably be periods when the models are out of sync with prevailing market trends. Sometimes the quantitative algorithm will be early, and at other times it will be wrong. That's not a flaw but a natural part of any systematic approach that seeks to do something different. By applying a repeatable and disciplined framework, we believe the mathematical advantages embedded in each strategy will work in their favor over a full market cycle.

Thank you for the trust you place in us and the opportunity to steward your capital through a wide range of market environments. If you would like to learn more about the strategies or discuss how they may fit within a broader portfolio, we invite you to reach out to our team.

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MarketDesk ETF strategies use a monthly rebalancing schedule, which leads to higher portfolio turnover. This page provides context on how the ETF structure can make higher turnover strategies more tax efficient. When traditional mutual funds want to replace a stock that has gone up in value, they sell it for cash, which creates a tax bill for the fund's investors. Exchange-Traded Funds (ETFs) can bypass this burden using a tax-efficient process called "in-kind" creation and redemption.

Instead of selling stocks for cash, the ETF simply swaps the actual shares directly with large brokers to move old securities out and new securities in. For example, if the ETF wants to sell shares of ABC (which has a 20% gain) to buy shares of XYZ, it swaps the ABC shares directly for the XYZ shares. It does this by trading its ABC shares away to a broker in a "redemption," and accepting the new XYZ shares from a broker in a "creation." Because this process relies on swapping assets rather than cashing them out, the IRS doesn't view it as a taxable event.

This mechanism is standard across U.S. ETFs. It can allow funds to adjust their investments while protecting shareholders from unexpected capital gains taxes. While no ETF can completely guarantee tax outcomes and distributions are still possible, to date, MarketDesk has not made any capital gains distributions.

Mutual Fund

When a mutual fund sells an appreciated, the tax transaction can create a tax bill for you.

1. Mutual Fund Sells Stock



The manager sells appreciated shares of ABC in order to purchase shares of XYZ.



2. Realized Capital Gain on Sale



The sale creates a cash profit (a taxable capital gain) for the mutual fund.



3. Unexpected Tax Bill



By law, that gain is passed through to you. You receive a tax bill even if you didn't sell any shares of the mutual fund.

ETF

ETFs use "in-kind" creations and redemptions to update the portfolio without creating taxable events.

1. ETF "In-Kind" Share Swap



The manager submits an in-kind creation and redemption order to replace appreciated shares of ABC with shares of XYZ.



2. No Capital Gain Created



Shares of ABC are "redeemed" out of the fund and shares of XYZ are "created" into the fund. No cash sale = No tax.



3. No Unwanted Taxes



In-kind swaps minimize capital gains while updating the portfolio, helping protect investors from unexpected tax bills.

Source: MarketDesk. For illustrative purposes only. Investors should consult their own tax advisors regarding the tax consequences of an investment in the ETFs.

FMTM

MarketDesk Focused U.S. Momentum ETF

Quarterly Letter

Strategy Overview

A quantitative momentum strategy designed to balance offense and defense. The strategy's data-driven methodology uses price data from the last six months and advanced mathematics to identify companies with the highest relative momentum, even during market drawdowns. FMTM's repeatable framework aims to provide equal-weight exposure to 30-50 companies with stable and consistent momentum.

ETF Details

Expense Ratio	0.45%
Fund Type	Quantitative Equity
Style Category	Large Cap Core
Rebalanced	Monthly
Reconstitution	Monthly
Distribution Frequency	Annually
30-Day SEC Yield	0.13%
Inception Date	3/19/2025

Portfolio Details

Universe	U.S. Stocks \$1B+
Sectors	No Constraints
Strategy	Short-Term Momentum
# of Holdings	30 to 50
Position Weights	Equal Weight

Fund Performance

As of June 30, 2026

	3 Months	6 Months	1 Year	3 Years	5 Year	10 Year	Inception
Market Price	25.53%	35.79%	64.09%	-	-	-	73.40%
Net Asset Value	25.35%	35.70%	63.93%	-	-	-	73.17%

Returns are average annualized total returns, except those for periods of less than one year, which are cumulative.

The performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For Fund performance information current to the most recent month-end, please visit <https://www.marketdeskindices.com/fmtm>. Market price returns are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times.

Current 30-Day Yields represent the average annualized income dividend over the last 30 days excluding gains and losses as defined by the SEC. Current 30-Day Yield is the Current 30-Day Subsidized SEC Yield and reflects reimbursements or waivers of fees currently in effect. Current 30-Day Yield-Unsub is the Current 30-Day Unsubsidized SEC Yield and does not reflect reimbursements or waivers of fees currently in effect.

Executive Summary

- FMTM gained +25% in 2Q26, benefiting from persistent momentum in secular growth themes and active sector rotation
- Performance was driven by diversified exposure across the AI value chain, broad industrial strength, and unique idiosyncratic company stories
- The strategy held 66 different positions throughout the quarter, remained offensively positioned, and mitigated geopolitical volatility

Performance Recap

During 2Q 2026, FMTM delivered a total return of +25.4%, compared with -42.9% for MSCI Momentum and +15.2% for the S&P 500¹. Over the last year, FMTM returned +63.9%, versus +43.7% for MSCI Momentum and +22.2% for the S&P 500. The fund's performance during the quarter was driven by a combination of continued momentum trends and active rotation as market conditions evolved. The sections below discuss the fund's positioning, rotation, and key portfolio drivers during the quarter.

Portfolio Positioning

The fund rebalances at the start of each month, giving the strategy a regular opportunity to take advantage of shifting leadership and emerging trends. This quarter was particularly busy, as the model used each monthly rebalance to reposition to sharp changes in market leadership. Portfolio turnover decreased across each monthly rebalance, from 67% at the end of April to 60% at the end of May and 50% at the end of June, as momentum remained concentrated in a relatively narrow segment of the market. The fund's largest exposure throughout the quarter was AI and Data Center Infrastructure, diversified across the five sections discussed on the next page.

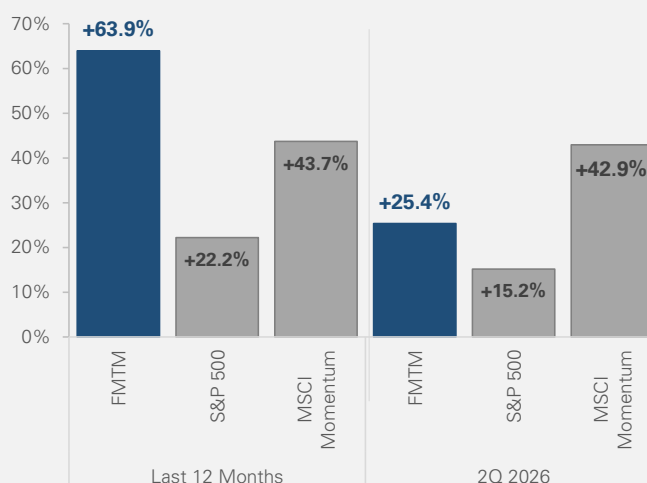
Entering the Quarter: The portfolio started Q2 positioned across several leading trends, which were defined by geopolitical tensions, rising oil prices, and a March selloff. Energy, Materials, and Chemicals, which had rallied as the Middle East conflict closed the Strait of Hormuz and disrupted oil and chemical supplies, made up the second-largest theme weight at 20%. The fund's Consumer Discretionary exposure was tied to discount retailers, with concerns that surging oil and gas prices would pressure consumer finances, while its Financials exposure tilted toward lower-beta property and casualty insurance stocks. The portfolio tilted defensively, a reflection of what worked during a volatile Q1. AI Infrastructure made up about one-third of the portfolio, though the largest semiconductor and memory names weren't included after underperforming the market as breadth broadened in Q1.

April Market Trends & Month-End Rebalance: The market staged a sharp, V-shaped recovery in April as the two sides worked toward a diplomatic resolution. A series of ceasefires calmed the Middle East conflict that had driven the March selloff, oil prices pulled back from above \$100 a barrel, and stocks recovered their war-related losses within a few weeks. The rebound was broad but led Technology and AI stocks, with strength in semiconductor stocks. Energy was the worst-performing sector as oil prices declined, and defensive sectors underperformed as the market rebounded.

At month-end, the model captured profits on discount retailers as the pressure on consumers lifted. It also reduced its exposure to the metals and mining and chemicals stocks that benefited from the Strait of Hormuz closer, and exited P&C insurance, a lower-beta industry, as the stock market recovery gained momentum. The AI Infrastructure theme's weight increased from 33% to 43% as tech stocks and the AI ecosystem rebounded. Industrials and Defense increased from 13% to 27%, with the model adding aerospace, freight, and machinery as leadership broadened to include cyclicals.

May Market Trends & Month-End Rebalance: Technology and semiconductor stocks had led April's recovery, and in May they pulled away from the rest of the market. AI-related names carried the S&P 500 and Nasdaq

Figure 1: Strategy Performance (Total Returns)



Source: MarketDesk. Performance is based on the net asset value (NAV).

Figure 2: Top & Bottom 10 Holdings this Quarter (Total Returns)

+52% Twilio (TWLO)	-5% United Therapeutics (UTHR)
+45% Corning (GLW)	-6% ConocoPhillips (COP)
+38% Onto Innovation (ONTO)	-6% New York Times (NYT)
+31% Cisco Systems (CSCO)	-6% Deere (DE)
+28% Carpenter Tech (CRS)	-7% TechnipFMC (FTI)
+28% Teradyne (TER)	-7% Sensata (ST)
+25% Coherent (COHR)	-8% BWX Tech (BWXT)
+23% MasTec (MTZ)	-8% MACOM (MTSI)
+22% Madison Square (MSGS)	-9% US Foods (USFD)
+22% Virtu Financial (VIRT)	-17% Akamai (AKAM)

Source: MarketDesk. Holdings are subject to change and should not be considered investment advice.

Data as of 6/30/2026.

¹ MSCI Momentum Index represented by the iShares MSCI USA Momentum Factor ETF (MTUM). S&P 500 Index represented by the State Street SPDR S&P 500 ETF (SPY). References to third-party funds are for informational purposes only and should not be considered investment advice or a recommendation of any particular security, strategy, or investment product.

to record highs as the largest technology companies kept expanding their data centers. Market breadth was weak, and the rest of the market stalled as leadership narrowed. The areas that had shown strength in Q1 had largely given way to new leadership concentrated in a smaller, more tech-heavy group.

The model responded at the end of May by further increasing its AI Infrastructure exposure to 63%, its high mark for the quarter. However, rather than a narrow group of mega-cap AI stocks, the fund's exposure broadened across the full value chain, from semiconductors and equipment to the power, cooling, and construction behind the buildout. It continued to exit areas that had led earlier in the year but were seeing their strength fade. The model exited its remaining commodity-related positions, reducing the theme's weight from 17% to 3%. The positions were replaced by new strengthening trends. Health Care entered with a 13% weight across managed care and medical technology, and Financials returned with a 7% weight, now with more cyclical asset management and brokerage exposure rather than the P&C insurance held earlier.

June Market Trends & Month-End Rebalance: Technology and semiconductor stocks were volatile in June after leading the rally the prior months. The group sold off early in the month, recovered in the second half of the month, and then declined into quarter-end. Beyond the tech pullback, market leadership broadened. Industrials, Health Care, and Financials led, smaller and mid-sized companies outperformed mega-caps, and value stocks outperformed growth stocks.

At the quarter-end rebalance, the model responded to June's tech volatility by trimming AI Infrastructure from 63% to 53%. AI remained the core of the portfolio, where the six-month signal still pointed, but the model held it across the full value chain rather than a handful of mega-caps. It added semiconductor equipment stocks and reached deeper across the AI value chain to add the software, data monitoring, and cybersecurity companies used to run and secure AI systems. Outside AI, the model leaned into the areas showing fresh relative strength, adding to banks and industrial machinery.

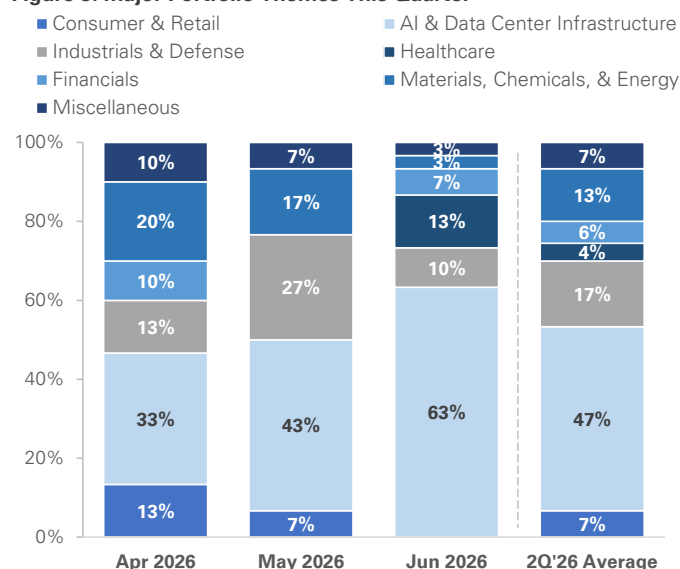
Key Portfolio Drivers

This section discusses the primary contributors and detractors to performance during the quarter. **Note** – All stock returns mentioned below reflect the periods during which positions were held by the fund and may differ from full-quarter returns.

The AI data center buildout was the quarter's dominant theme. Unlike a market-cap-weighted index, which carries most of its weight in a few of the largest names, the fund's exposure to the theme spanned the full value chain, from the chipmakers to the contractors building the sites and the companies powering and monitoring them. The following sections map the fund's holdings during the quarter across the full AI value chain.

Connectivity Moving Data Between Chips: Inside an AI data center, tens of thousands of chips must work as a single system, which takes far more fiber and optical equipment than a conventional facility, and demand is still outpacing supply. That made connectivity one of the quarter's strongest threads. Corning (+67%), the quarter's largest contributor, makes the optical fiber that carries the data. Coherent (+25%) builds the transceivers and lasers that send signals across that fiber, and Cisco (+31%) supplies the switches and routers that direct where the traffic goes.

Figure 3: Major Portfolio Themes This Quarter



Source: MarketDesk

Silicon, Semiconductor Equipment, and Data Storage: The model held companies manufacturing the chips inside an AI server, led by Astera Labs (+49%), with ON Semiconductor (+9%), Analog Devices (+21%), and Lattice (+15%) alongside. It also owned the equipment makers that build and test those chips, including Onto Innovation (+38%), Teradyne (+28%), and Keysight (+18%), and the materials that go into them through Element Solutions (+23%). Western Digital (+20%) makes the high-capacity hard drives that store the vast volumes of data AI generates.

Powering and Building AI Data Center Sites: FMTM's exposure also extended to the physical site, the power, cooling, and construction that turn chips into an operating data center. Vertiv (+21%) and Littelfuse (+16%) power and cool the racks, and MasTec (+23%) and Quanta Services (+9%) build the data center campuses and wire them to the grid. TD SYNEX (+20%), which distributes the parts and components that go into the buildout, rounds out the exposure. It benefits from the inflation in prices for components like memory, but it's also started designing and assembling custom server racks from those same parts, moving up the value chain from supplying the components to building the systems.

Software to Run and Connect the Systems: Beyond the physical buildout, FMTM's AI exposure also reached into software, the layer that runs and connects the systems rather than builds them. Twilio (+52%) provides voice and messaging tools, and the platform is being used to power AI voice agents, the automated callers and texters that are increasingly being implemented in AI workflows. It outperformed in a software sector that struggled for most of the year. Akamai (-17%) was the theme's detractor. It runs a network of servers that delivers websites and video quickly, and it's now repurposing the infrastructure to run AI closer to the user, where low latency matters. The shift is considered a long-term opportunity, but the heavy spending to build it and a slowly declining legacy business were headwinds this quarter.

How the Model Finds Non-Obvious Opportunities: One less obvious position illustrates how the model selects holdings. Aramark (+18%) is best known for running stadium concessions and school and hospital

cafeterias, not for anything to do with AI. However, as hyperscalers race to build data centers in remote parts of the country, the thousands of workers must be housed and fed near remote construction sites. Aramark won a multi-year contract with a major hyperscaler to do exactly that. Its shares climbed as that new business came to light. FMTM's algorithm doesn't read contracts or trace supply chains. Instead, it followed the stock's momentum to a corner of the market that most screens and analysts wouldn't think to look at.

Industrial Exposure Spans Aerospace & Defense and Industrial Machinery:

The model also found momentum in several industrial and defense names. Carpenter Technology (+34%) makes the high-strength specialty alloys that go into jet engines and defense systems, where demand from aerospace and defense manufacturers has stayed strong. Timken (+23%) makes the bearings and moving parts that keep industrial machinery running, from factory lines to rail and aerospace. Both stocks climbed as industrial activity recovered during the quarter.

A Market Maker Gains From Active, Volatile Trading: Virtu Financial (+20%) is an electronic market maker that earns a spread on each trade it facilitates. Its business performs best when trading volumes are high and prices are volatile, two conditions that characterized the markets during Q2.

A Playoff Run and a Planned Split Lift MSG Sports: Madison Square Garden Sports (+22%), the owner of the New York Knicks and Rangers, advanced on two developments: the Knicks' run to their first NBA Finals in more than two decades, which materially increased the team's value, and a plan to separate the two teams into independently traded companies, which investors expect to unlock value that the combined structure had obscured.

Miscellaneous Positions: The model also held smaller positions across unrelated areas of the market. Casey's General Stores (+8%) advanced as the convenience store operator expanded its prepared-food business and increased its store count. Archer Daniels Midland (+10%) gained following a federal biofuel decision that improved margins in its crushing and ethanol operations. West Pharmaceutical (+15%) produces the components used to package and deliver injectable drugs, benefiting from rising demand tied to injectable weight-loss drugs.

Detractors Were Limited: US Foods (-9%) was the main detractor, as the foodservice distributor was pressured by soft restaurant demand and more cautious consumer spending. The only other notable decline was Akamai, discussed above, which lagged as investors concentrated on more direct AI beneficiaries.

Outlook

With the year half over, this quarterly letter is a natural opportunity to review FMTM's performance. The first six months of 2026 handed FMTM's momentum strategy two very different environments and asked the same quantitative process to work in both. Q1 forced the algorithm to focus on capital protection, while Q2 forced the algorithm to focus on capital growth. In Q1, FMTM returned +8.3% versus the S&P 500 Index's -4.3%, as momentum shifted and the portfolio rotated away from large caps. In Q2, FMTM returned +25.3% versus the S&P 500 Index's +15.2%, as the portfolio once again quickly identified areas of momentum to participate in the rally. Year-to-date, FMTM finished the first six months with a gain of +35.7% versus the S&P 500 Index's +10.2%. FMTM's results over the full six months weren't determined

by a small group of names and came from adding value in two very different quarters.

The performance consistency comes from FMTM's quantitative process. The model reads momentum over a shorter, six-month window, which allows it to rotate as new leadership emerges instead of waiting for a longer signal to catch up. It also holds each position equal weight, meaning the portfolio is never tied to the performance of a handful of names. Those two features are what allowed the fund to trade higher in Q1 as markets traded down while also trading higher in Q2 during the strong equity market rally. The ability to be nimble matters in today's market environment.

Many investment strategies tend to be one-dimensional, often performing well in either rising or declining markets, but rarely both. FMTM's quantitative momentum approach is designed with a different objective in mind. The strategy seeks to balance offense and defense by identifying companies exhibiting the strongest relative momentum, including during periods of market stress. If the broader market trades down or sideways, FMTM will continue to look for where new leadership is emerging and weigh whether those momentum trends are strong and consistent enough to follow. When one trend fades, FMTM moves on to the next opportunity.

History tells us that the market's rally in recent years has been historic by many measures. If markets continue to advance, FMTM's goal is to participate in that upside, as it did during Q2. Conversely, if markets weaken, the strategy will seek out opportunities to differentiate itself from the broader market, as it did during Q1. Regardless of what comes next, the strategy's objective will remain unchanged. Market volatility is inevitable, and when it returns, FMTM will continue applying the same disciplined, rules-based process as it has done this year.

FDIV

MarketDesk Focused U.S. Dividend ETF

Quarterly Letter

Strategy Overview

FDIV is a quantitative dividend strategy focused on systematically generating above-average income without sacrificing upside potential. FDIV's repeatable framework aims to identify 60 to 80 companies that offer (1) a higher dividend yield and (2) a higher potential for capital appreciation.

ETF Details

Expense Ratio	0.35%
Fund Type	Quantitative Equity
Style Category	Large Cap Core
Rebalanced	Monthly
Reconstitution	Monthly
Distribution Frequency	Quarterly
30-Day SEC Yield	2.25%
Inception Date	9/19/2023

Portfolio Details

Universe	U.S. Stocks \$1B+
Sectors	Max 35%
Strategy	Excluded
# of Holdings	60 to 80
Position Weights	1-2% at Rebalance

Fund Performance

As of June 30, 2026

	3 Months	6 Months	1 Year	3 Years	5 Year	10 Year	Inception
Market Price	4.38%	3.56%	9.26%	-	-	-	19.77%
Net Asset Value	4.27%	3.62%	9.42%	-	-	-	19.82%

Returns are average annualized total returns, except those for periods of less than one year, which are cumulative.

The performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For Fund performance information current to the most recent month-end, please visit <https://www.marketdeskindices.com/fdiv>. Market price returns are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times.

Current 30-Day Yields represent the average annualized income dividend over the last 30 days excluding gains and losses as defined by the SEC. Current 30-Day Yield is the Current 30-Day Subsidized SEC Yield and reflects reimbursements or waivers of fees currently in effect. Current 30-Day Yield-Unsub is the Current 30-Day Unsubsidized SEC Yield and does not reflect reimbursements or waivers of fees currently in effect.

Executive Summary

- FDIV returned +4.3% in 2Q26, navigating three distinct environments while rising as the cap-weighted index fell on broadening breadth
- Performance was broad-based across an industrial rebound, an overlooked insurance industry, and quality names re-rating as Q1 fears faded
- The model rebalanced monthly, cut cyclical exposure from 81% to 66%, and rebuilt defensive weight while keeping Financials as its anchor

Performance Recap

During 2Q 2026, FDIV delivered a total return of +4.3%, compared with +13.2% for the Dow Jones and +4.9% for S&P Dividend². Over the last year, FDIV returned +9.4%, versus +20.3% for Dow Jones and +15.0% for S&P Dividend. The sections below discuss the fund's positioning, rotation, and key portfolio drivers during the quarter.

Portfolio Positioning

FDIV rebalances every position at each month-end, and the second quarter handed the model three distinct environments. Monthly turnover averaged roughly 32%, and the portfolio's cyclical exposure fell from a high of 81% in April to 66% in June as the model captured gains and rotated to new opportunities.

April: Positioning for a Rebound After March's Volatility

The fund started the quarter on cyclical footing after taking advantage of March's geopolitical volatility. The Middle East conflict and oil shock caused stocks to trade lower, with sectors like Industrials, Consumer Discretionary, and Health Care underperforming. The end-of-March rebalance leaned into that dislocation, lifting cyclical exposure to 81%. Industrials became the second-largest sector at ~20%, with the model adding beaten-down building products, machinery, electrical equipment, and railroads. Materials increased to 7% with additions across construction materials, containers, and paper. Financials were the largest sector at 25%, as the model added to capital markets and asset managers that had sold off in Q1 on private credit fears. It funded the new positions by reducing defensive exposure, lowering Health Care from 15% to 11% and rotating toward the cyclical areas where its framework identified more attractive yields and valuations. As the market recovered through April, that cyclical tilt made it the fund's strongest month of the quarter.

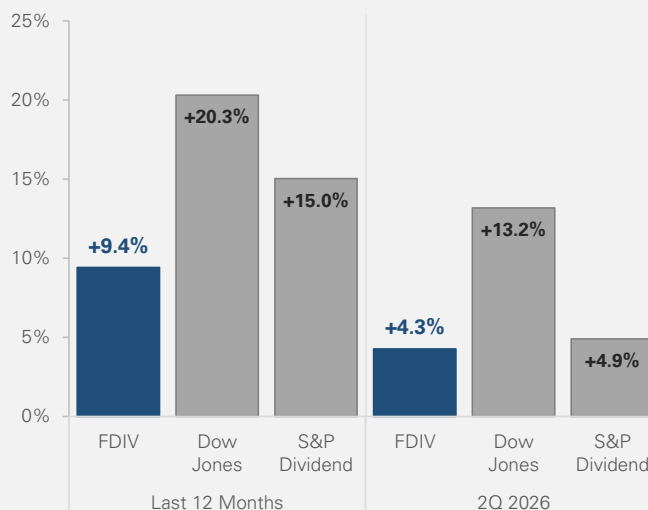
May: Capturing April's Gains and Rotating to the Laggards

The late-April rebalance responded to a strong April by capturing gains and redeploying into what had lagged during the rally. The model sold the semiconductors that had surged in April's tech-led advance, cutting Information Technology from 11% to 5%, and reduced Consumer Discretionary from 18% to 11%. The proceeds were redeployed into April's laggards. Industrials exposure increased to 25% as the model added aerospace and defense, and Health Care increased to 15% with additions across pharmaceuticals. The discipline showed in the numbers: the positions sold had gained an average of +12% in April, while those bought had fallen an average of -5%. The changes decreased the cyclical tilt from 81% to 74%.

June: Broadening Leadership Lifts the Portfolio

The late-May rebalance was the quarter's most active, and it positioned the portfolio for market leadership to broaden. Coming out of May's narrow, mega-cap-led tape, the model trimmed Industrials from 25% to 19% and cut Technology to 2%, down from 11% to start the quarter. It redeployed the proceeds to the value and defensive sectors that had lagged the narrow rally. Financials increased to 28%, the portfolio's largest weight, with additions spanning banks, capital markets and asset managers, and insurance. It also added a new 6% position in Utilities and increased Consumer Staples to 12%. The rebalance further decreased the cyclical tilt to 66%, though Financials remained the anchor. As leadership broadened through June and the mega-cap trade unwound, the fund rose even as the cap-weighted index fell, its equal-weight approach benefiting from improving breadth.

Figure 4: Strategy Performance (Total Returns)



Source: MarketDesk. Performance is based on the net asset value (NAV).

Figure 5: Top & Bottom 10 Holdings this Quarter (Total Returns)

+49% UnitedHealth (UNH)	-12% Medtronic (MDT)
+39% Texas Instruments (TXN)	-12% Northrop Grumman (NOC)
+34% Rockwell Automation (ROK)	-15% Anglogold Ashanti (AU)
+31% Gen Digital (GEN)	-16% Abbott Laboratories (ABT)
+29% Jefferies (JEF)	-16% CF Industries (CF)
+21% QUALCOMM (QCOM)	-20% MarketAxess (MKTX)
+20% Southwest Airlines (LUV)	-21% CME Group (CME)
+18% Williams-Sonoma (WSM)	-26% Booz Allen Hamilton (BAH)
+18% Masco (MAS)	-32% Tractor Supply (TSCO)
+17% Apollo Global (APO)	-32% Zoetis A (ZTS)

Source: MarketDesk. Holdings are subject to change and should not be considered investment advice.

Data as of 6/30/2026.

² S&P Dividend Index represented by the State Street SPDR S&P Dividend ETF (SDY). Dow Jones Index represented by the State Street SPDR Dow Jones Industrial Average ETF (DIA). References to third-party funds are for informational purposes only and should not be considered investment advice or a recommendation of any particular security, strategy, or investment product.

Full-Quarter Trend: Model Steadily Adds to Insurance Over the Quarter

Running beneath the month-to-month rotation was the quarter's one constant: the model steadily added to its insurance position. The model held a core of insurers from the start and kept adding as the discount held, growing the industry from roughly 5% of the portfolio in April to 14% by June, the single largest industry exposure in the book by quarter-end. These were high-quality insurers the market had overlooked. Cincinnati Financial and Aflac, among others, had traded sideways over the past six months, profitable, dividend-paying businesses trading at attractive yields. The model kept adding to the industry due to its persistent discount while broadening the insurance position across property and casualty, life, and specialty insurers. It's an unglamorous corner of the market, which is exactly the kind of place the framework is built to find quality businesses on sale.

End-of-Quarter Rebalance: Rotating Toward Consumer Discretionary

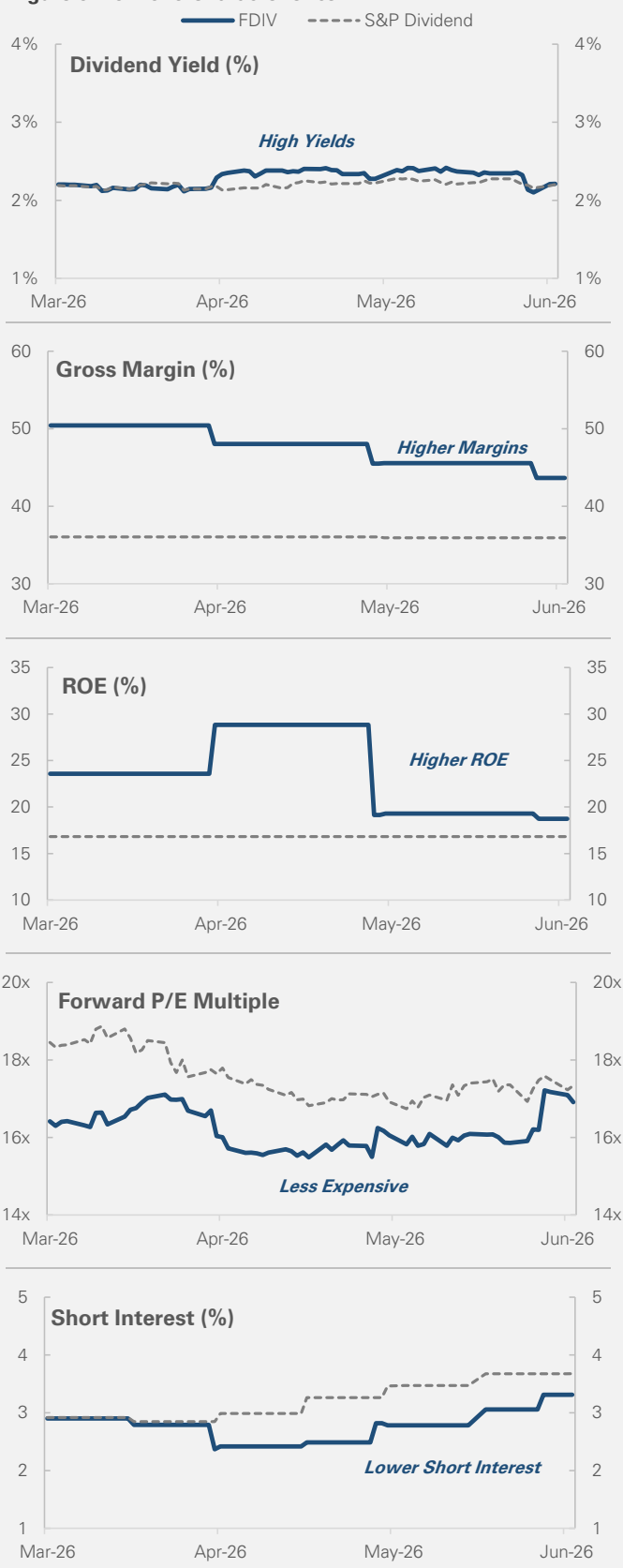
The model closed the quarter with an active end-of-June rebalance that rotated within its cyclical tilt, leaving the cyclical-to-defensive balance essentially unchanged around 65%. The model captured gains in Financials, reducing the sector from 28% to 21% after it had anchored the portfolio all quarter. Most of the reduction came from the two areas that had already worked: insurance was cut from 14% to 9% and capital markets from 11% to 5%, while banks roughly doubled to 5%. The model also exited Energy and Technology and redeployed the proceeds into Consumer Discretionary, which rose from 8% to 19% as the model added cruise lines, hotels, and restaurants. The defensive sectors held roughly steady in weight even as the model rotated within them. Consumer Staples held near 13%, shifting toward beverages and away from household products and food. Utilities held around 7% as the model broadened a book that had been entirely electric utilities, and Health Care was little changed at 11%, with the portfolio rotating out of pharmaceuticals and into managed care. The portfolio enters the third quarter positioned differently from the start of the quarter, when the model had positioned aggressively for a rebound, with cyclical sectors at 81% of the portfolio and a heavy tilt toward Financials, Industrials, and Consumer Discretionary. By the end of the quarter, the defensive sectors had been rebuilt across Consumer Staples, Utilities, Health Care, and Communication Services, producing a more balanced portfolio.

Key Portfolio Drivers

This section discusses the primary contributors and detractors to performance during the quarter. **Note** – All stock returns mentioned below reflect the periods during which positions were held by the fund and may differ from full-quarter returns.

A Turnaround Rewards Patience. The largest single contributor was UnitedHealth (+49%). The market had discarded the company over the prior year on rising medical costs, a management change, and an unresolved federal inquiry, leaving it at a steep discount to its history and the broader market. In late April, it reported a significant improvement in its medical cost ratio and raised its full-year outlook, and the stock re-rated higher.

Last Quarter's Fears Reverse. UnitedHealth was not alone. Several positions that had weighed on Q1 performance, such as private credit stress and fears of artificial intelligence disruption, were among Q2's top contributors as those narratives faded. Jefferies (+28%) led on record investment banking revenue and Apollo (+17%) rebounded as sentiment toward private markets improved, with T. Rowe Price (+10%), BlackRock (+8%), and Blackstone (+4%) also trading higher. On the technology side, the businesses the market had feared AI would displace re-rated as the fear proved overdone. Gen Digital (+31%) reported the strongest year in its history, while ADP (+11%) and IBM (+7%) recovered as investors reconsidered how quickly AI would erode their businesses. In each case, the model had held quality through the pressure because the businesses beneath the fear remained sound and continued to grow their dividends.

Figure 6: Portfolio Characteristics

Source: MarketDesk

Quality Participates in the AI Buildout. The fund also held exposure to the artificial intelligence theme through cash-generative, dividend-paying companies bought at reasonable prices. Texas Instruments (+39%) surged after reporting data-center revenue up 90% from a year earlier. Rockwell Automation (+38%) advanced as its data-center controls business more than doubled, and Qualcomm (+21%) rose on progress in its data-center and edge-AI strategy. The model captured gains on all three during the April rebalance.

The Industrial Rebound. The clearest payoff to the quarter's rotation came in Industrials. The model had used March's oil-shock selloff to buy companies trading at valuation discounts across the sector's hardest-hit corners, building products, machinery, electrical equipment, and railroads, and they rebounded sharply through April. Masco (+18%) was the standout, a beaten-down building products name the model bought at attractive levels and sold into strength at the April rebalance. Union Pacific (+13%) and Emerson Electric (+11%) contributed steadily as freight volumes and industrial demand held firm, and the model kept finding value in the group, adding machinery maker Snap-on (+8%) in June. A set of names caught up in the March selloff became one of the quarter's key contributors.

The Quiet Engine. The insurance position described earlier turned into one of the quarter's largest contributors. The industry's weight increased from roughly 5% to 14% over the quarter, and it contributed more than +1% of performance, with eight of its nine holdings trading higher. Cincinnati Financial (+18%), Allstate (+15%), and Axis Capital (+13%) advanced, helped by rising short-term yields, which lift the investment income insurers earn on their reserves. It was a direct payoff to the model's patient decision made across all three months: adding profitable, dividend-paying businesses investors had overlooked, and waiting for the market to agree.

Airline Stocks Climbs as Oil Falls. As Middle East tensions eased and the threat to global oil supply receded, crude prices fell sharply, and Southwest Airlines (+18%) was rewarded almost immediately. The model added the airline in late May, and with fuel being among the largest costs for any carrier, cheaper crude re-rated the stock within weeks of purchase. It's an example of the model stepping into a dislocation and stocks rebounding as the catalyst turned.

Broad Participation Across the Portfolio. Beyond the individual stories, the fund benefited from where it was positioned and where it chose not to be. As leadership broadened in June, banks joined the rally, with Citigroup (+12%) and Morgan Stanley among the gainers. AbbVie (+17%) rose with the broader recovery in health care, while Williams-Sonoma (+15%) was a bright spot in an otherwise soft consumer discretionary backdrop. Consumer Staples saw seven of its eight holdings trade higher, led by Sysco (+18%), Kimberly-Clark (+15%), and Philip Morris (+10%). The fund also benefited from where it was underweight, having avoided the commodity trade that ran up on Q1's oil spike and sidestepping losses as Energy gave back some of its Q1's gains. Avoiding the crowded, overbought corners of the market is as much a part of the model's process as buying quality companies trading a valuation discount.

Pet-Spending Softness and Health Care M&A: Tractor Supply (-32%), the largest U.S. rural lifestyle retailer, missed Q1 estimates as softer rural spending and pet category weakness slowed sales and traded lower despite management reaffirming its full-year outlook. Zoetis (-33%), the leading animal-health company, declined for a related reason, posting a Q1 miss and cutting full-year guidance on softer U.S. pet

demand and fewer veterinary visits. Abbott Laboratories (-16%) grew Q1 revenue but lowered its earnings outlook to absorb dilution from its acquisition of Exact Sciences, which expands its position in fast-growing cancer diagnostics. As a group, these three names detracted approximately -1.8% from performance during the quarter.

Fading Geopolitical Premiums, a Hawkish Fed, and Regulatory Overhangs: Northrop Grumman (-12%) and CF Industries (-16%) were both weighed down by the same development, the interim U.S.-Iran ceasefire and the reopening of the Strait of Hormuz. For Northrop, easing geopolitical tensions compressed the risk premium priced into its defense business. For CF Industries, the same de-escalation reduced the supply premium that had lifted nitrogen fertilizer prices earlier in the year, when the Strait's closure disrupted supply. AngloGold Ashanti (-15%) fell as gold traded lower, with the market pricing in a more hawkish Federal Reserve that dims the appeal of a non-yielding precious metal. CME Group (-21%) sold off despite record trading volumes after regulatory approval of perpetual futures raised the prospect of a new threat to the traditional exchange model. Booz Allen Hamilton (-26%) declined as investors weighed continued cuts to federal consulting budgets and the longer-term risk that AI could reduce demand for the advisory and analytical work at the core of its business. Combined, the five positions detracted approximately -1.9% from performance during the quarter.

Outlook

As the market enters Q3, FDIV's systematic, rules-based process remains focused on identifying high-quality companies that are growing their dividends and have the potential for capital appreciation.

The strategy starts with the business, not the discount. It looks for durable, dividend-growing companies whose underperformance reflects market sentiment or a thematic concern rather than a lasting problem, and it's willing to accept the temporary disfavor to buy quality at a better price. It holds those positions until they re-rate toward a more normal valuation or the setup changes, collecting the dividend along the way. Over a full market cycle, that combination of quality, income, and a margin of safety is how the strategy compounds.

The second quarter showed the range of what the strategy looks like. The model used March's selloff to buy beaten-down industrial names and was rewarded as they recovered through April. It stayed patient on a group of overlooked insurers, adding across all three months as the discount held and letting the market come around in its own time. It stepped into Southwest Airlines as falling oil prices improved the outlook for carriers, and it held quality asset management and tech companies through the private credit and AI disruption fears. It owned UnitedHealth, which was the top performer of the quarter as the company's fundamentals improved. Different catalysts, one process: buy quality businesses while they are out of favor, hold them until the market re-rates them, and capture the gain to fund the next opportunity.

The fund enters Q3 more balanced than it started Q2, having rebuilt its defensive exposure while keeping Financials as its anchor. Its focus continues to be on buying durable, dividend-paying businesses when they are marked down and holding them until they re-rate, which is a useful thing to own when the market's leadership is this concentrated.

Every quarter brings a different market environment with different catalysts, but the strategy's approach remains unchanged. FDIV's quantitative strategy aims to systematically identify companies with the combination of above-average yields and the potential for capital appreciation, guided by data and executed without emotion.

This material must be preceded or accompanied by a prospectus. Please read the prospectus carefully before investing. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Click here for the FMTM Prospectus and SAI. All fund documents can be found at www.marketdeskindices.com. A free hardcopy of the prospectus may be obtained by calling +1.215.882.9983.

Investments involve risk. Principal loss is possible. Redemptions are limited and often commissions are charged on each trade. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value.

Principal Risks: An investment in the Fund involves risk, including those described below. There is no assurance the Fund will achieve its investment objective. An investor may lose money by investing in the Fund. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any government agency.

Dividend-Paying Common Stock Risk. The Fund will normally receive income from dividends that are paid by issuers of the Fund's investments. The amount of the dividend payments may vary and depends on performance and decisions of the issuer. Poor performance by the issuer or other factors may cause the issuer to lower or eliminate dividend payments to investors, including the Fund. Additionally, these types of securities may fall out of favor with investors and underperform the broader market.

Momentum Risk: Investing in or having exposure to securities with the highest relative momentum entails investing in securities that have had above-average recent returns. These securities may be more volatile than a broad cross-section of securities. Returns on securities that have previously exhibited momentum may be less than returns on other styles of investing or the overall stock market. Momentum can turn quickly and cause significant variation from other types of investments, and stocks that previously exhibited high momentum may not experience continued highest relative momentum. In addition, there may be periods when the momentum style is out of favor, and during which the investment performance of the Fund using a momentum strategy may suffer.

Periodic Reallocation Risk. Because the Sub-Adviser will generally reallocate the Fund's portfolio only on a monthly basis, (i) the Fund's market exposure may be affected by significant market movements promptly following the monthly reconstitution that are not predictive of the market's performance for the subsequent monthly period and (ii) changes to the Fund's market exposure may lag a significant change in the market's direction (up or down) by as long as a month if such changes first take effect promptly following the monthly reconstitution. Such lags between market performance and changes to the Fund's exposure may result in significant underperformance relative to the broader equity or fixed income market.

Non-Diversification Risk. Because the Fund is non-diversified, it may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the Shares and greater risk of loss.

Equity Investing Risk. Equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate.

Sector Risk. Companies with similar characteristics may be grouped together into broad categories called sectors. A certain sector may underperform other sectors or the market as a whole. As the Sub-Adviser allocates more of the Fund's portfolio holdings to a particular sector, the Fund's performance will be more susceptible to any economic, business or other developments which generally affect that sector.

Management Risk. The Fund is actively-managed and may not meet its investment objective based on the Adviser's or Sub-Adviser's success or failure to implement investment strategies for the Fund.

New Fund Risk. The Fund is a recently organized investment company with no operating history. As a result, prospective investors have no track record or history on which to base their investment decision. There can be no assurance that the Fund will grow to or maintain an economically viable size.

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Definitions: **Dividend Yield** – Dividend yield represents a company's annualized cash dividends per share divided by its current share price, expressed as a percentage. **Gross Margin** – Gross margin measures the percentage of revenue remaining after deducting the cost of goods sold, reflecting a company's core operating profitability. **Return on Equity (ROE)** – Return on equity measures a company's net income relative to shareholders' equity and indicates how effectively equity capital is utilized to generate profits. **Forward Price-to-Earnings (P/E) Multiple** – The forward price-to-earnings multiple is a valuation metric calculated as a company's current share price divided by estimated earnings per share over the next 12 months. **Short Interest** – Short interest refers to the number of a company's shares that have been sold short but not yet covered or closed out, typically expressed as a percentage of shares outstanding. **VIX** — The CBOE Volatility Index (VIX), is a real-time index that measures the market's expectation of 30-day forward-looking volatility, derived from S&P 500 index option prices. **Asset Correlation** — A statistical measure that describes the degree to which two investments move in relation to each other, expressed on a scale from -1.0 to +1.0. Correlation can change over time and may increase during periods of market stress. **Drawdown** — The peak-to-trough decline in the value of a portfolio or investment, typically expressed as a percentage from a prior high point to the subsequent low point before a new high is reached. Drawdowns are used to measure downside risk and help illustrate the magnitude of losses. **Beta** – Measure of an asset's price volatility in comparison to the broader market.

Sources: MarketDesk Indices, Bloomberg