MarketDesk

3Q 2026

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 quantitative ETFs (FMTM, XUSM, and FDIV). All three strategies apply a systematic, rules-based framework across all market environments. The pages that follow review 3Q 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 all three quantitative strategies to address what we see as limitations in traditional factor strategies.

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 than a passive index. 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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ETF Tax Efficiency Explained

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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 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.

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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 September 30, 2026

	3 Months	6 Months	1 Year	3 Years	5 Year	10 Year	Inception
Market Price	-10.61%	12.21%	30.71%	-	-	-	55.00%
Net Asset Value	-10.62%	12.03%	30.60%	-	-	-	54.78%

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.

FMTM – Focused U.S. Momentum ETF

MarketDesk

Executive Summary

- Q3 brought sharp trend reversals across several market areas that had previously shown strong momentum, demonstrating FMTM's exit discipline
- Cybersecurity and identity management emerged as leading themes as AI agent adoption created new security and access requirements
- FMTM enters Q4 with momentum spread across three distinct themes: Healthcare, Software, and selectively rebuilding AI infrastructure

Performance Recap

During 3Q 2026, FMTM delivered a total return of -10.6%, compared with -7.4% for MSCI Momentum and +2.3% for the S&P 500[1]. Over the last year, FMTM returned +30.6%, versus +24.4% for MSCI Momentum and +15.6% for the S&P 500. The fund enters Q4 with momentum spread across three distinct themes (Healthcare, Software, and AI infrastructure).

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 respond to sharp changes in market leadership. Monthly portfolio turnover averaged 63% during Q3.

Entering the Quarter: The portfolio started Q3 positioned across several of Q2's leading trends. AI & Data Center Infrastructure represented 46% of the portfolio, Industrials & Infrastructure 23%, and Financials 13%, while Software accounted for 10% and Healthcare & Life Sciences roughly 7%. Within AI, the portfolio's exposure was spread across the physical buildout, including semiconductors, optical networking, storage, and power infrastructure. The Industrial allocation spanned aerospace and specialty materials, industrial automation, and freight, while Financials tilted toward banks, capital markets, asset management, and brokerage. Together, the positioning reflected the combination of market leadership that had developed in the first half of 2026.

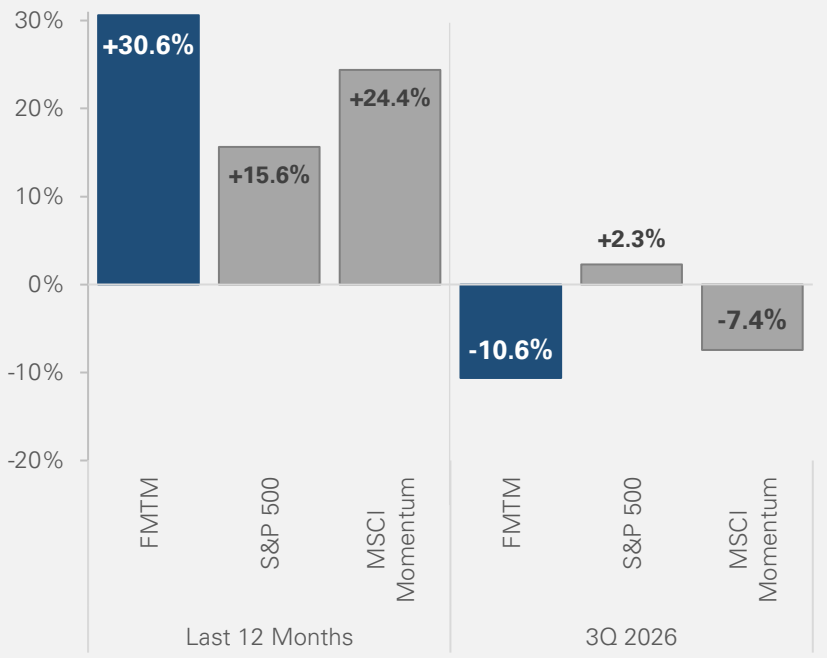
July Market Trends & Month-End Rebalance: Market leadership reversed in July as the AI trade faced renewed pressure following its strong Q2 performance. Semiconductor stocks fell sharply, even as underlying data-center spending remained strong, while the broader market held up better. The decline was amplified by crowded positioning. When an industry dramatically outperforms the market, as the AI trade did in Q2, it attracts more investors. When sentiment shifts and many of those investors try to sell at the same time, the selling pressure pushes prices lower than fundamentals would imply and triggers further selling.

History shows this dynamic is a natural feature of momentum investing that appears from time to time. Strong trends attract followers, and periods of crowding and sharp selloffs are a well-documented cost of participating in the momentum factor's long-term returns. What made July unusual and noteworthy was the speed of the selloff. Goldman Sachs reported that their momentum factor proxy, the GS U.S. High Beta Momentum basket, fell -37% during the month, its worst monthly decline since 1999, a period that included the 2000 dot-com bubble and the 2009 financial crisis. While FMTM's -11.9% July decline was far less than Goldman Sachs' proxy, the comparison helps provide historical context for the magnitude of July's volatility.

The July rebalance replaced 19 of the portfolio's 30 holdings. AI & Data Center Infrastructure was reduced from 46% to 20%, while Software increased from 10% to 27% as the model added cybersecurity and identity, cloud data and observability, and communications software. Rather than exit the AI ecosystem entirely, the portfolio shifted from the physical buildout toward the software used to secure, manage, and connect AI workloads.

Meanwhile, industrials declined from 23% to 17%, with the model rotating away from aerospace materials and automation and toward freight transportation. CSX, Union Pacific, and Schneider National were added as higher fuel costs and rising trucking rates improved the relative economics of

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)

+44%	Illumina (ILMN)	-21%	Element Solutions (ESI)
+30%	Okta (OKTA)	-25%	Marvell Technology (MRVL)
+28%	Natera (NTRA)	-29%	Applied Materials (AMAT)
+28%	CrowdStrike (CRWD)	-29%	Western Digital (WDC)
+24%	Snowflake (SNOW)	-30%	Lam Research (LRCX)
+24%	NetApp (NTAP)	-31%	MACOM Tech (MTSI)
+21%	Twilio (TWLO)	-34%	Intel (INTC)
+17%	Palo Alto Networks (PANW)	-35%	UiPath A (PATH)
+12%	Guardant Health (GH)	-39%	Astera Labs (ALAB)
+11%	Fortinet (FTNT)	-44%	Corning (GLW)

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

Data as of 9/30/2026. See top 10 holdings by weight on page 16.

[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.

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rail and intermodal shipping. Financials remained near 13%, but the exposure shifted away from banks and capital markets toward insurance, retirement, and asset-servicing companies.

August Market Trends & Month-End Rebalance: Market conditions improved in August after July's concentrated AI and semiconductor weakness. Equity markets rebounded broadly, with most major U.S. equity indices setting new all-time highs during the month as leadership broadened.

The August rebalance was the quarter's most active, replacing 22 holdings. Healthcare & Life Sciences increased from 10% to 37%, becoming the portfolio's largest theme, while AI & Data Center Infrastructure declined from 20% to 3% and Industrials fell below 10%. Within Healthcare, the model added heavily across diagnostics, life-science tools, contract research organizations, and biopharma. It removed most of the remaining AI infrastructure holdings, a response to the group's increased volatility and lack of trend consistency. Software declined from 27% to 13%, with the model retaining exposure across cybersecurity, cloud data and observability, and communications. Financials increased from 13% to 17% and broadened across brokerage, asset management, fintech, and retirement businesses, while Consumer & Travel rose to roughly 10%.

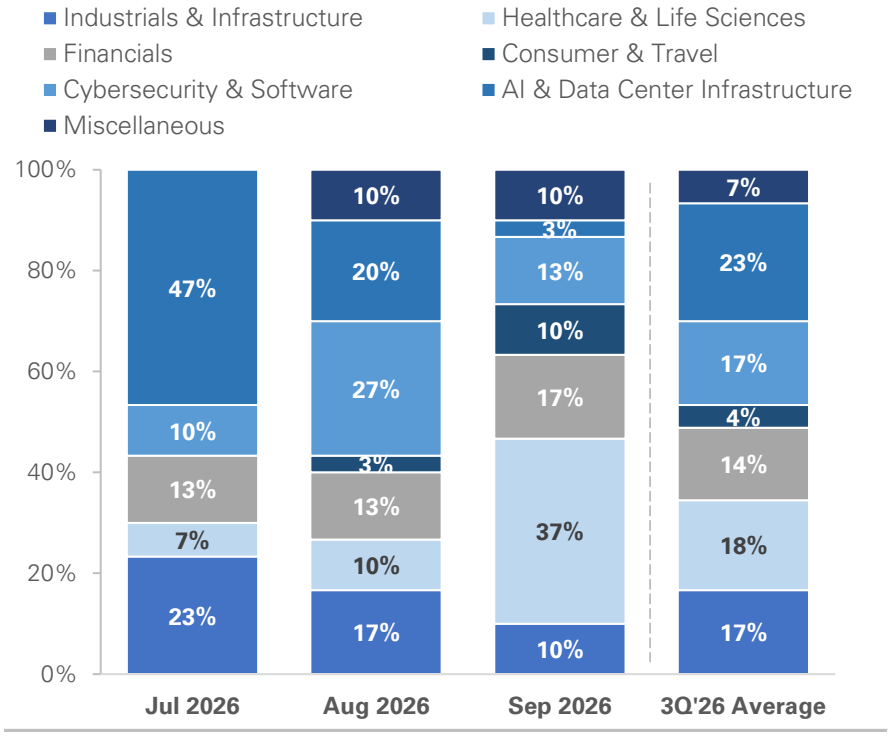
September Market Trends & Quarter-End Rebalance: Market breadth weakened in September as Treasury yields spiked to multi-decade highs. Rising interest rates weighed on the broader market, while the largest Technology companies held up, masking the weakness underneath. Meanwhile, AI enthusiasm received a fresh catalyst during the month when Meta launched Muse, its personal AI agent, drawing renewed attention to the expanding range of AI applications. In late September, with the S&P 500 less than 1% below its all-time high, only seven index constituents set new 52-week highs while 30 set new lows, a combination previously recorded only in July 1929 and December 1999. Narrow market leadership creates a challenging environment for equal-weight momentum strategies, as fewer advancing stocks limit the opportunity set for building a diversified portfolio. Despite these headwinds, FMTM held up relatively well in September, declining just -0.82% compared to -4.83% for the equal-weight S&P 500 and -0.33% for the cap-weighted index.

By late September, parts of the physical AI complex had begun to regain relative strength after the July selloff. The portfolio entered Q4 with a balanced mix of Healthcare, Software, and AI infrastructure holdings, reflecting where the six-month momentum signal was strongest at quarter-end. At the quarter-end rebalance, the model replaced 16 holdings, broadening Software exposure and retaining a large Healthcare allocation. Heading into Q4, the portfolio contained ten Healthcare holdings, seven Software holdings, and six AI & Data Center Infrastructure holdings, equivalent to roughly 33%, 23%, and 20% of the equal-weight portfolio. Healthcare remained broadly diversified across diagnostics, life-science tools, biopharma, and drug-development services. Software remained focused on the AI ecosystem, including cybersecurity and observability, while the AI & Data Center exposure was a combination of networking, storage, and semiconductors.

Key Portfolio Drivers

AI remained a major source of market leadership during Q3, but the areas showing momentum within AI began to broaden. Data-center investment and semiconductor demand remained strong even as the stocks became more volatile, while a newer group of companies emerged across the software used to secure, manage, and connect AI systems. It was a significant change from earlier in the year, when

Figure 3: Major Portfolio Themes This Quarter



Source: MarketDesk

software stocks sold off sharply on concerns that AI models and agents could disrupt traditional software business models.

AI Momentum Broadens into Cybersecurity: Cybersecurity and identity were among the strongest areas. As companies deploy more AI agents and automated workflows, they also need to control who and what can access sensitive systems and data. Okta, for example, has expanded its identity platform to manage AI agents and control which systems they can access, illustrating how AI adoption can create new security requirements. Okta (+30%) and CrowdStrike (+28%) were two of the portfolio's strongest contributors, while Palo Alto Networks (+17%) and Fortinet (+11%) added to the breadth of the trend.

Software to Manage Data and Connect AI Applications: Momentum also extended into the software used to organize data and connect AI-enabled applications. Snowflake (+24%) provides the cloud data infrastructure companies use to store and manage information for analytics and AI workloads, while Twilio (+21%) provides communications infrastructure increasingly used to connect humans and AI agents across messaging and customer-service applications. Together, these holdings showed AI momentum broadening beyond the physical buildout into the software needed to secure, manage, and operate AI workflows. The primary detractor was UiPath (-35%), which traded lower as investors questioned whether its push into agentic AI was translating into faster recurring-revenue growth.

Precision Diagnostics and Genetic Testing: Healthcare was another source of positive momentum during the quarter, led by companies tied to genetic testing and precision diagnostics. Genetic and molecular testing is playing a growing role in patient care, particularly in oncology, where it can help detect disease, guide treatment decisions, and monitor patients over time. Illumina (+44%), which provides sequencing technology used across many of these applications, was the portfolio's largest Healthcare contributor. Natera (+28%) and Guardant Health (+12%) also benefited from rising clinical testing volumes, including strong growth in oncology testing. Natera processed about 1.0 million tests in Q2, up 22% from a year earlier, while Guardant's oncology test volume increased 63%.

AI Drug Discovery: AI is making it faster and cheaper to design potential

drug candidates, which could shift the constraint in drug development from designing molecules to synthesizing, testing, and analyzing them in the lab. The potential for AI drug discovery could increase demand for the sequencing, lab materials, and bioprocessing tools used to validate those drug candidates. Momentum broadened into companies supplying these tools used to research, develop, and manufacture new drugs. Thermo Fisher Scientific (+9%), Repligen (+6%), and Avantor (+5%) provide laboratory equipment, materials, and bioprocessing technologies used across pharmaceutical and biotechnology development.

Exiting Managed Care as Momentum Faded: In contrast, managed care traded lower and lost momentum. Elevated medical utilization and healthcare costs continued to pressure insurer margins, particularly in Medicare Advantage. CVS Health (-12%) was removed in late July as its price trend weakened, while Humana (-4%) was exited at the end of August. Rather than remaining in the weaker part of Healthcare, the model proactively shifted toward diagnostics, life-science tools, and other areas of strengthening momentum.

Volatility Disrupts the AI Data Center Trade: While AI momentum broadened into Software, many of the physical infrastructure stocks that led in Q2 became considerably more volatile. Semiconductor and data-center-related stocks rallied sharply during the second quarter before reversing in July as crowded momentum trades unwound and deleveraging amplified the decline. The weakness spread across much of the physical buildout. Corning (-44%) and MACOM Technology Solutions (-31%) declined in optical and networking, while Astera Labs (-39%), Intel (-34%), Lam Research (-30%), Applied Materials (-29%), Marvell Technology (-25%), and Element Solutions (-21%) fell across semiconductors, equipment, and materials. The portfolio captured strong gains in many of these names during 1H 2026 but gave back some returns during July's volatility. The combination of a steep advance followed by a sudden reversal made those previously strong trends much more volatile and less consistent, weakening their momentum signals.

Data Management Holds Its Momentum: One notable exception was NetApp (+24%), which continued to show strong momentum even as stocks connected to physical AI infrastructure weakened. As companies move AI projects from experimentation into production, they need to organize, govern, and move large amounts of proprietary data into those systems. NetApp benefited from growing demand for data management, showing that Q3's AI weakness was concentrated rather than spread across the full ecosystem.

Industrial Leadership Fades: Industrials had been one of the market's stronger areas earlier in 2026, supported by improving manufacturing activity, solid economic growth, and the Fed's rate cuts in late 2025. However, the group's leadership weakened in Q3 as higher oil prices and input costs, rising long-term interest rates, and weakening market breadth weighed on more economically sensitive stocks. Timken (-17%), Rockwell Automation (-6%), Sensata Technologies (-3%), and Landstar (-7%) were among the holdings caught in that reversal as the sector's earlier momentum faded.

A Short-Lived Freight Rotation. The model also identified an emerging trend in freight and intermodal transportation. Higher fuel costs were improving the relative economics of moving freight by rail rather than truck, while carriers were reporting better pricing, stronger rail service, and continued intermodal volume growth. The model added positions in CSX (-9%), Schneider National (-6%), and Union Pacific (+1%), but the trend didn't persist as oil and inflation pressures remained elevated, long-term rates rose, and market breadth weakened in late Q3. As those price trends lost stability, the model progressively moved away from Industrials and transportation rather than remaining anchored to the sector's earlier leadership.

AI Agent Concerns Weigh on Financial and Travel Holdings. The same expansion of AI agents that supported parts of the Software portfolio also created disruption concerns elsewhere. Chime Financial (-20%) was caught in a late-September selloff across Financials as investors considered whether increasingly capable AI agents could make it easier for consumers to compare financial products, move money, and switch providers, potentially reducing the customer inertia that has historically benefited financial platforms. A similar issue emerged in travel. Expedia Group (-17%) declined as investors considered whether personal AI agents could eventually search, compare, and book travel directly for consumers, potentially reducing the role of traditional online travel intermediaries. This has been a recurring theme throughout 2026, with fears of AI-driven disruption triggering sharp selloffs across a range of industries only for many of the affected stocks to recover as investors reassess the perceived threats and recognize that underlying business fundamentals remain largely unchanged.

Reviewing FMTM's Exit Discipline in a Quarter of Trend Reversals: Q3 brought sharp trend reversals across several market areas that had previously shown strong momentum, demonstrating how FMTM approaches exit discipline. The model is designed to exit holdings as their momentum weakens, rather than remain anchored to prior leaders, and to rotate toward names where momentum is strengthening (see page 18 of the **Fund Presentation**). Sudden intra-month reversals, like July's semiconductor selloff, can move faster than the month-end rebalance process can respond. However, adding to strengthening trends while exiting weakening ones remains central to how the strategy seeks to manage risk throughout a full market cycle.

Outlook

2026 hasn't been a typical market environment, with the speed and magnitude of market reversals defining much of the year. Oil prices have experienced double-digit monthly swings, long-term Treasury yields have climbed to multi-decade highs, and the Federal Reserve has shifted from rate cuts to rate hikes. Along the way, geopolitical developments and rapidly evolving AI narratives have repeatedly reshaped market leadership, contributing to crowded positioning, abrupt trend reversals, and sharp price movements that are often disconnected from underlying fundamentals.

Despite these challenges, FMTM's systematic approach has demonstrated resilience by remaining disciplined through periods of heightened volatility. Volatility itself isn't necessarily a headwind for momentum investing, but challenges arise when sharp trend reversals coincide with narrow market breadth, leaving fewer persistent trends for the model to capture. Rather than attempting to predict the next market rotation or react to short-term headlines, the strategy systematically rotates into names with strengthening momentum and out of names as their momentum weakens. While no momentum strategy can avoid every market reversal, we believe the portfolio's flexibility to continuously adapt to changing market leadership without emotion remains one of FMTM's most important strengths.

Looking ahead, the model is showing signs of identifying a broader and potentially more persistent set of opportunities. FMTM enters Q4 diversified across several distinct sources of momentum rather than relying on a single market theme. Software momentum has expanded across cybersecurity, observability, and other applications of AI, while Healthcare has emerged as another area of relative strength across several industries. The model has also begun rebuilding exposure to AI infrastructure, with new holdings reflecting a shift in momentum toward different areas of the AI value chain. Regardless of what comes next, the strategy's objective will remain unchanged. FMTM will continue applying the same disciplined, rules-based process as it has done this year.

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XUSM

MarketDesk International 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. XUSM's repeatable framework aims to provide equal-weight exposure to 50-100 international companies with stable and consistent momentum.

ETF Details	
Expense Ratio	0.75%
Fund Type	Quantitative Equity
Universe	International Stocks ex U.S.
Rebalanced	Monthly
Reconstitution	Monthly
Distribution Frequency	Annually
30-Day SEC Yield	-
Inception Date	9/15/2026

Portfolio Details	
Universe	International Stocks $1B+
Regions	Developed and Emerging
Strategy	Short-Term Momentum
# of Holdings	50 to 100
Position Weights	Equal Weight

Fund Performance

As of September 30, 2026

	3 Months	6 Months	1 Year	3 Years	5 Year	10 Year	Inception
Market Price	-	-	-	-	-	-	0.31%
Net Asset Value	-	-	-	-	-	-	0.45%

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/xusm. 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.

XUSM – International Momentum ETF

MarketDesk

Executive Summary

- XUSM began trading on 9/15/26, extending our quantitative momentum process beyond the U.S. to 46 international markets
- The strategy holds 50 to 100 equal-weighted international companies with the most consistent price trends across developed and emerging markets
- Its 0.75% expense ratio supports global data, currency oversight, ADR selection, foreign tax management, and institutional-grade execution

Introducing XUSM

This quarter, we introduce a third strategy. The MarketDesk International Momentum ETF (XUSM) began trading on September 15, 2026, giving the fund roughly two weeks of market history at quarter-end.

Two weeks is not enough time to draw meaningful conclusions from performance, rebalancing activity, or portfolio drivers. Rather than review a partial period, we are using this first letter to explain what XUSM is, how the strategy works, and why we built it. Beginning with the next quarterly letter, XUSM will follow the same format as FMTM and FDIV, covering monthly rebalances, exposures, and key performance drivers.

The sections that follow cover five topics:

1. How XUSM's quantitative process selects international stocks
2. How international momentum behaves differently than U.S. momentum
3. Where we believe traditional strategies leave room for improvement
4. The breadth of the opportunity set across developed and emerging markets
5. What the fund's 0.75% expense ratio supports, and why international implementation costs more than domestic

How XUSM Works

XUSM applies the same philosophy as FMTM to a much broader opportunity set: a systematic, rules-based process that holds an equal-weight portfolio of approximately 50 to 100 international companies exhibiting stable and consistent upward price momentum. The portfolio is rebalanced every month.

Each month, the model runs a four-step process:

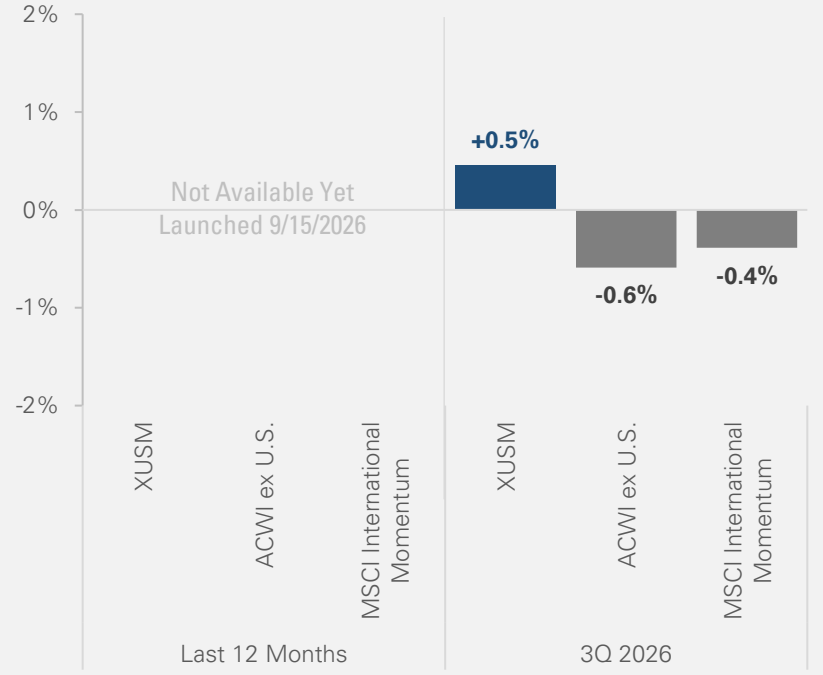
1. Define the universe. Start with international stocks across developed and emerging markets with a market capitalization above $1 billion. U.S. companies are excluded.
2. Require liquidity and float. Remove companies trading less than $15 million per day on average over the last three months, and companies with less than 40% of their shares freely floating. What remains is a highly liquid set of large- and mid-cap international companies.
3. Screen for quality. Remove companies with weaker financial health based on balance sheet and profitability metrics, such as high debt-to-equity.
4. Rank the consistency of momentum. Use six months of daily price data to rank the remaining companies on the consistency and quality of their price trends, then select the top-ranked names and weight them equally.

The final step is where XUSM differs most from traditional momentum strategies. Most momentum approaches rank stocks on their trailing returns. XUSM ranks stocks on how steadily they have traded relative to the market. A company that rose +40% in one sharp rally and a company that rose +40% in a smooth, persistent advance look identical on a total-return screen. Our model treats them very differently, favoring the persistent trend and filtering out short-lived spikes that may be more prone to reversal.

The Global Momentum Factor

Momentum is one of the most widely documented return patterns in finance, and academic research has found it across global stock markets, not just the U.S. The underlying behavior is the same everywhere: investors are slow to fully price in new information, so stocks with improving fundamentals tend to keep rising as the market gradually catches up. However, international

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)

+29%	AT&S Austria Tech (ATS AV)	-5%	Ternium (TX)
+20%	ASE Technology (ASX)	-5%	Nomura Holdings (8604 JP)
+19%	SCREEN Holdings (7735 JP)	-5%	Unipol Assicurazioni (UNI IM)
+16%	Tokyo Electron (8035 JT)	-6%	UBS Group (UBSG SW)
+15%	Kokusai Electric (6525 JP)	-6%	Banco Santander (SAN)
+14%	Ibiden Co (4062 JP)	-6%	Zensho Holdings (7550 JP)
+14%	ASML Holding (ASML)	-9%	ArcelorMittal (MT)
+11%	Lenovo Group (992 HK)	-10%	Ecopetrol (EC)
+9%	Rohm (6963 JP)	-10%	James Hardie (JHX AU)
+6%	Panasonic (6752 JP)	-11%	China Gold Resources (2099 HK)

Source: MarketDesk. Total returns in USD from 9/15/2026 through 9/30/2026. Holdings are subject to change and should not be considered investment advice.

Data as of 9/30/2026. See top 10 holdings by weight on page 16.

[1] MSCI International Momentum Index represented by the iShares MSCI International Momentum ETF (IMTM). All Country World Index (ACWI) ex U.S. Index represented by the iShares MSCI ACWI ex US ETF (ACWX). 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. Total returns in USD from 9/15/2026 through 9/30/2026.

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momentum differs from U.S. momentum in three ways that matter for portfolio construction.

Leadership rotates across countries, not just sectors. In the U.S., momentum leadership is a story about sectors and themes. As of the date of this publication, leadership has been concentrated in a small group of large technology companies. There is a second layer internationally: entire regions and individual countries move in and out of favor based on local growth, interest rates, government policy, and currency movement. An international momentum strategy may identify Japanese industrials one year, European banks the next, and Korean or Taiwanese semiconductor suppliers after that.

Currency is part of the return. A U.S. investor in an international stock earns the local stock's return plus or minus the change in that currency against the dollar. A stock can rise +10% in its home market and deliver less or more once its return is translated back into U.S. dollars. Momentum measured in local currency terms can therefore construct a different portfolio than momentum measured in U.S. dollar terms.

Information travels more slowly. Many international companies, including those in emerging markets and those considered mid-caps, receive significantly less analyst coverage and media attention than their U.S. peers. Where information spreads more slowly, price trends may persist longer, which is the behavior momentum strategies seek to capture. The trade-off is that these same markets carry wider trading costs, more complex settlement, and higher dispersion, which makes disciplined implementation more important.

For investors, the takeaway is that international momentum is not simply U.S. momentum with foreign tickers. It is a distinct exposure driven by different leadership, and can behave differently from a U.S. momentum allocation, such as FMTM.

Rethinking International Momentum

Most international momentum exposure today comes from index-based ETFs built for scale and low cost. Those are reasonable design goals, but we believe the resulting trade-offs leave room for improvement. XUSM aims to address five of them.

A stale signal. A strategy that rebalances twice a year can hold a stock for up to six months after its trend has broken. That lag can be costly internationally, where country leadership can turn quickly on a policy decision or currency move. XUSM's monthly rebalance and shorter lookback aim to keep the portfolio aligned more closely with current leadership.

Diluted exposure. Holding hundreds of stocks produces a portfolio that can trade similarly to a broad international index. Holding approximately 50 to 100 names keeps active share high, meaning the portfolio reflects the model's highest conviction trends rather than market beta.

Concentration by size. Market-cap weighting means a handful of the largest companies drive results, regardless of how strong their momentum is relative to smaller peers. Equal weighting gives each selected company the same opportunity to contribute.

Ranking magnitude instead of persistence. As discussed above, a total return signal may not be able to distinguish a steady trend from a single spike. Ranking on the consistency of the trend aims to identify durable leadership and reduce exposure to sharp reversals.

A narrower opportunity set. Excluding emerging markets removes some of the world's fastest-growing economies and many of the most dynamic companies in sectors such as semiconductors, financials, and industrials. The next section covers the breadth of XUSM's eligible universe in more detail.

Figure 6: XUSM vs Traditional International Momentum

Design Choice	Typical International Momentum Index	XUSM
Markets	Developed Markets Only	**Developed & Emerging**
Rebalance	Semi-Annual	**Monthly**
Holdings	Often 250 or more	**50 to 100**
Weightings	Market-cap based	**Equal-weight**
Signal	Total Return over 6 to 12 months	**Consistency and quality of trend of 6 Month Returns**

Source: MarketDesk

A Global Opportunity Set

XUSM's eligible universe spans 46 countries, 22 developed and 24 emerging, compared with roughly 20 markets for a developed-only international strategy. A broader universe can offer a momentum model more independent trends to choose from and more places to find leadership when any single region stalls.

A broader country universe can matter when international markets diverge. Developed and emerging markets can be at different points in their economic, interest rate policy, and currency cycles. When European or Japanese leadership fades, emerging markets in Asia, Latin America, or the Middle East may be entering a period of strength. A developed-only strategy has to find its next trend inside a narrower set of markets that tend to move together.

The universe is broad, but the portfolio isn't indiscriminate. The liquidity, free-float, and quality screens described earlier apply in every market, so emerging market exposure is limited to a highly liquid set of large- and mid-cap international companies that meet the same standards as their developed market peers. However, not every eligible country will be represented in the portfolio at any given time. Country weights are an outcome of where the model finds the strongest and most consistent trends, not a target.

What the 0.75% Expense Ratio Supports

XUSM's expense ratio is 0.75%, higher than FMTM's 0.45% and higher than many index-based international ETFs. We want to address the reasons why. Running a fully quantitative, monthly-rebalanced strategy across 46 countries is a fundamentally different undertaking than running a U.S.-only strategy or tracking a semi-annual index, and the fee reflects the cost of doing it.

XUSM's 0.75% expense ratio is a unitary fee. It is the fund's total annual operating expense, with no separate line items for custody, administration, or other operating costs. Brokerage costs and taxes are excluded, as they are for most ETFs. Beyond access to the strategy itself, the fee supports five areas of work that a domestic strategy either does not require or requires at a much smaller scale.

Global data infrastructure. A quantitative model is only as good as its data. Covering international markets requires licensing institutional datasets for daily pricing, financial statements, corporate actions, and currency rates across each eligible country, with additional work to clean, reconcile, and monitor the data. Emerging market data requires

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Figure 7: What XUSM's 0.75% Expense Ratio Supports

What the Fee Supports	Why It Matters Internationally
Global data infrastructure	Daily prices, fundamentals, corporate actions, and FX rates for thousands of companies across 46 markets
Currency Oversight	Every holding carries a currency exposure, and currency moves can add to or subtract from a stock's dollar return
Security-line Selection	Many companies trade in several forms, and each comes with different liquidity, cost, and tax treatment
International Tax Complexity	Optimizing foreign taxes, transaction and stamp taxes, and treaty rates differ by country
Institutional Grade Execution	The portfolio is traded across multiple time zones and local markets each month, where execution directly affects results

Source: MarketDesk

more validation, since reporting standards, trading calendars, and corporate action conventions vary by market. This is a fixed, ongoing cost that is much lower for a domestic strategy.

Currency oversight. For a U.S. investor, an international stock is also a currency position. XUSM's model measures momentum in U.S. dollar terms, so currency trends are built into every ranking: a stock whose local-market gains are being erased by a weakening currency will rank lower than one whose gains are reinforced by currency strength.

Security-line selection. A single international company may trade as local shares on its home exchange, as an American Depositary Receipt in the U.S., as a European Depositary Receipt, or as a Global Depositary Receipt. The listing structures can differ meaningfully in liquidity, trading costs, and tax treatment. Identifying the most efficient way to own each position, including sourcing EDRs and GDRs where they offer better access, is detailed work that index-based strategies often simplify.

International tax complexity. Most investors have never heard of foreign transaction taxes, but they are a real cost for international momentum ETFs. In the U.K., for example, every purchase of a U.K.-listed stock carries a 0.50% tax called stamp duty. A fund that buys $1 million of a U.K. company on the London Stock Exchange pays $5,000 in tax on day one, before the stock has moved. France, Italy, Hong Kong, and other markets levy similar taxes. They come directly out of shareholder returns. In addition to ranking momentum opportunities, XUSM's process looks for ways to reduce these costs. Many international companies also trade in the U.S. as ADRs, and buying an existing ADR may not trigger foreign stock taxes. When an ADR or another eligible security line offers the same exposure at a lower all-in cost, the fund may be able to use it instead of the local share. Index-based strategies typically hold the securities specified in their indexes (e.g., the local shares of stocks in the U.K.) rather than finding ways to save on these costs for investors. XUSM's active management aims to keep more of each trade working for investors, and over time those savings can help offset part of the fund's 0.75% expense ratio. The amount will vary with turnover and where the portfolio is invested.

Institutional-grade execution. A monthly rebalance across dozens of countries means trading in markets that open and close at different times, settle on different schedules, and carry different spreads. In our research, trading costs were a bigger driver of net results than portfolio construction choices, such as country and sector limits. Executing at an institutional level, and using in-kind transactions where available, is one of the most direct ways to protect returns for shareholders.

Put simply, the expense ratio covers more than the model itself. It supports the data, tax, currency, and trading infrastructure required to run it across dozens of markets.

Looking Ahead

XUSM enters its first full quarter with the same objective as our other strategies: apply a consistent, rules-based process in every market environment and let that process work over a full cycle.

For investors building portfolios, we see XUSM as serving two roles. First, it can serve as a core or satellite international equity allocation that seeks to capture the strongest and most persistent trends outside the U.S., across both developed and emerging markets. Second, it can complement a U.S. momentum allocation, such as FMTM. The two strategies share a philosophy but draw from different opportunity sets, so their leadership, sector exposures, and performance drivers are likely to differ over time.

There will be periods when international markets lag the U.S., and periods when the model is early or wrong on a given trend. That is a natural part of any systematic approach that seeks to do something different. Our focus is on applying the quantitative process consistently over time, not on being right every month.

Starting next quarter, this section of the letter will cover XUSM's monthly rebalances, country and sector positioning, and the key contributors and detractors to performance in the same format as FMTM and FDIV. In the meantime, full daily holdings are available at marketdeskindices.com/xusm.

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3Q 2026

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	2.60%
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 September 30, 2026

	3 Months	6 Months	1 Year	3 Years	5 Year	10 Year	Inception
Market Price	-6.53%	-2.44%	-1.67%	-	-	-	11.95%
Net Asset Value	-6.68%	-2.70%	-1.81%	-	-	-	11.82%

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.

FDIV – Focused U.S. Dividend ETF

MarketDesk

Executive Summary

- FDIV returned -6.7% in 3Q26, gaining +1.9% through August before September's rate spike hit its equal-weight, value, size, and yield tilts
- Energy added roughly +1.1% and the model captured gains in key outperformers, but rate-sensitive and smaller names drove September's decline
- The model leaned into September's discounts, rebuying 11 names at higher yields, adding to Industrials and Technology, and trimming Financials

Performance Recap

During 3Q 2026, FDIV delivered a total return of -6.7%, compared with -3.2% for S&P Dividend. Over the last six months, FDIV returned -1.8%, versus +7.2% for S&P Dividend. The fund gained +1.9% through the end of August before declining -8.3% in September, as rising interest rates triggered a broad selloff across the value-oriented, income-paying stocks that make up most of FDIV's universe. The sections below discuss the fund's positioning, rotation, and key portfolio drivers during the quarter.

The Market Environment

Market conditions shifted sharply from July and August to September. July and August favored the kinds of companies FDIV owns. As Figure 10 shows, Value stocks gained +6.0% while Growth stocks fell -1.2%, and the equal-weight S&P 500 (+3.1%) outperformed the cap-weighted index (+2.5%).

September was a sharp reversal. The 10-year Treasury yield rose 52 basis points during the month to 5.27%, its highest level since 2007, and finished the quarter 83 basis points higher. The 2-year yield also rose more than 50 basis points, ending the quarter at 4.87%. The combination of oil's rise back above $100, strong economic data, and heavy government borrowing pushed rates higher, and the Federal Reserve raised its policy rate on September 16 for the first time since 2023.

Rising interest rates hit three factor groups the hardest, and FDIV owns all three. Smaller companies fell sharply because they rely more on borrowing and feel the impact of higher financing costs sooner. The Equal-Weight S&P 500 fell -5.2% and Mid Caps declined -4.4%, while the Magnificent 7 gained +4.3%, holding the S&P 500 to a -0.5% decline. Value stocks (-3.5%) lagged Growth (+2.1%), as technology stocks traded higher. The High Dividend factor declined -6.2%, as Treasury yields near 5% became stiffer competition for income-oriented capital. FDIV's equal weighting methodology, smaller average company size, Value tilt, and above-average yield left the portfolio exposed to all three of September's headwinds at once.

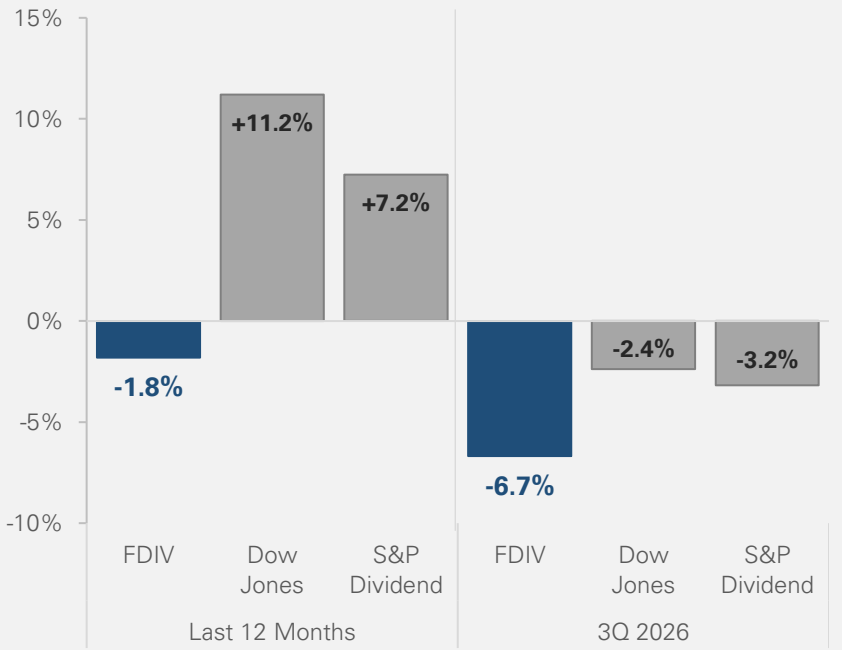
Portfolio Positioning

The model had an average monthly turnover of 53%, ranging from 45% to 62% during Q3. Financials was the largest sector at every rebalance, and the portfolio's weighted-average dividend yield gradually rose from 2.4% at the start of the quarter to 2.6% in September.

July Rebalance: Rotating Toward Higher Yields. The late July rebalance was the quarter's most active, replacing 37 of 60 positions, and it was driven by prioritizing higher yields. The model sold positions yielding 2.4% on average and replaced them with companies yielding 2.7%. Financials exposure increased from 24% to 28%, led by capital markets firms, alongside additions in banks and financial services. The model also built a 10% Energy position, primarily in refiners and oil producers, as oil prices climbed. It funded those additions by cutting Health Care from 11% to 2% and Consumer Discretionary from 19% to 13%, and trimming Consumer Staples from 14% to 11% and Industrials from 17% to 13%. The rebalance tilted the portfolio toward smaller companies, reducing the median holding's market capitalization from $42 billion to $22 billion.

August Rebalance: Capturing Gains in Energy. The late August rebalance captured gains across the portfolio. The four Energy holdings sold had returned about +9% in August, and the model trimmed the sector from 10% to 8%. It also cut Utilities from 7% to 1%. The proceeds went largely to Consumer

Figure 8: Strategy Performance (Total Returns)



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

Figure 9: Top & Bottom 10 Holdings this Quarter (Total Returns)

+22%	HF Sinclair (DINO)	-16%	Royal Caribbean (RCL)
+16%	APA Corp (APA)	-16%	Hamilton Lane (HLNE)
+16%	Automatic Data (ADP)	-17%	Paychex (PAYX)
+16%	AngloGold Ashanti (AU)	-17%	Brunswick (BC)
+15%	H&R Block (HRB)	-18%	Primo Brands (PRMB)
+14%	Valero Energy (VLO)	-18%	Lazard (LAZ)
+13%	TPG (TPG)	-22%	Bath & Body Works (BBWI)
+11%	ConocoPhillips (COP)	-23%	Intuit (INTU)
+11%	Honeywell (HON)	-24%	Southwest Airlines (LUV)
+9%	Bank of America (BAC)	-29%	Gen Digital (GEN)

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

Data as of 9/30/2026. See top 10 holdings by weight on page 16.

[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.

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Staples, which increased from 11% to 15%, and to Materials, which rose from 7% to 10% with additions in metals and mining and packaging. Financials held steady at 28%, with the mix shifting from capital markets toward banks.

Quarter-End Rebalance: Leaning Into September's Selloff. September's selloff created the quarter's broadest discounts. Industrials, the weakest cyclical sector for the quarter at -9.9%, rose from 12% to 19% with additions in machinery, airlines, freight, and waste services. Technology tripled from 4% to 12%, led by semiconductors and software, and Energy increased to 11% with additions in midstream and natural gas. Financials was trimmed from 28% to 23% as the model cut banks, and Communication Services was reduced from 5% to 1% after the sector's September gains. The model held on to most of its hardest-hit positions: the names it kept had fallen -9% in September on average, compared with -7% for the names it sold. The rebalance also added several large consumer staples, telecom, and insurance companies, raising the median holding's market value to $20 billion.

What Drove Returns: Energy was the largest positive contributor for the quarter, adding roughly +1.1% across eight positions. Gold miners also added to returns in August as gold prices rallied. Financials, Consumer Staples, and Industrials also contributed early in the quarter. September's market action erased the early-quarter gains. Every sector in the portfolio detracted, with most stocks trading lower, and the average holding fell -8.3%. Financials was the largest drag at roughly -2.2%, followed by Consumer Discretionary, Materials, Industrials, and Consumer Staples at roughly -1.1% to -1.2% each.

Two factors weighed on the quarter's performance. The first was the fund's investment style. The fund's tilts toward equal weight, smaller companies, value, and higher yield explain most of the gap to the S&P 500. The second was security selection and underperformance within sectors. The fund's holdings, which are smaller and more rate-sensitive than the large companies that dominate the sector indices, underperformed. Technology shows the gap clearly: the sector rose +4.4% in September on mega-cap strength, while the fund's mid-cap technology holdings declined.

Key Portfolio Drivers

What Worked: Three Case Studies, One Pattern. Three holdings show the model's decision-making at the company level. Each offered a yield well above the portfolio's roughly 2.5%, each outperformed its sector by more than +10%, and in each case, the model captured the gain. Honeywell (+11%) entered the quarter yielding 4.1%, rose while Industrials fell -3% in July, and was sold at the late July rebalance. H&R Block, which sold off earlier in the year on fears that AI tools could replace its tax services, was added at the late July rebalance at a 3.6% yield and gained +14% while its sector was flat. Private equity firm TPG (+13%) was added at the same rebalance at a 4.6% yield and rose +11% in August, outpacing Financials' +1% gain. The model captured gains from both at the late August rebalance, then bought both back at quarter-end at higher yields of 4.2% and 5.2%, respectively.

What Worked: Energy Sector Exposure. Energy was the quarter's largest source of gains, adding roughly +1.1% across eight positions. The model increased Energy exposure from zero to 10% at the late July rebalance, as rising oil prices lifted earnings for refiners and oil producers. Refining margins climbed to four-year highs, and Valero (+14%) and ConocoPhillips (+11%) rose sharply in August. The model captured those gains at the late August rebalance, trimming Energy to 8% before the sector declined -2.8% in September. HF Sinclair (+22%), which remained in the portfolio, was the fund's largest Energy contributor for the quarter.

What Didn't Work: Rising Rates and Rate-Sensitive Financials. September's rate spike hit hardest at financial companies whose revenue depends on borrowing and deal activity. Investment banks earn advisory fees when companies merge and raise capital, private markets managers depend on fundraising and asset values, and title insurers depend on home sales. Higher rates slow all three. Lazard (-18%) fell as higher yields and geopolitical risk

Figure 10: Market Scorecard (Price Returns)

Market Area	Jul-Aug	Sept	3Q 2026
Magnificent 7	+6.9	+4.3	+11.5
S&P 500	+2.5	-0.5	+2.0
Mid Caps	-2.3	-4.4	-6.6
S&P 500 Equal Weight	+3.1	-5.2	-2.2
S&P 500 Dividend	+2.7	-6.2	-3.7
10Y Treasury Yield	4.75%	5.27%	+83 bp

Source: MarketDesk. 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. Indexes are unmanaged, do not incur management fees and expenses, and cannot be invested in directly. The S&P 500 Index is represented by the State Street SPDR S&P 500 ETF Trust (SPY), the S&P 500 Equal Weight Index by the Invesco S&P 500 Equal Weight ETF (RSP), and the S&P MidCap 400 Index by the State Street SPDR S&P MidCap 400 ETF Trust (MDY), the S&P Dividend Index represented by the State Street SPDR S&P Dividend ETF (SDY), and the Magnificent Seven stocks is represented by the Roundhill Magnificent Seven ETF (MAGS).

Figure 11: Portfolio Exposure Through 3Q 2026

Sector	July	Aug	Sept
Financials	24%	28%	28%
Industrials	17%	13%	12%
Consumer Staples	14%	11%	15%
Consumer Discretionary	19%	13%	13%
Energy	0%	10%	8%
Technology	0%	4%	4%
Materials	5%	7%	10%
Health Care	11%	2%	3%
Median Market Cap	$42B	$22B	$17B
Holdings Above $50B	28 of 60	16 of 60	18 of 60
Portfolio Turnover	62%	53%	45%

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

weighed on deal activity, private markets manager Hamilton Lane (-16%) declined as rising rates pressured private asset values, and title insurer First American Financial (-12%) dropped as rising mortgage rates weighed on the outlook for home sales. All three are valued under $10 billion, leaving them exposed to two of September's headwinds at once: higher rates and the selloff in smaller companies.

What We're Watching: AI Disruption, Round Two. Earlier this year, investors sold payroll, tax, and software companies on fears that AI could displace their services, and many of those stocks rebounded over the summer. September brought a second wave of selling, as renewed AI concerns, including Meta's launch of its Muse personal AI agent, revived fears that AI agents could take over tax, payroll, and data work. Gen Digital fell -33% during the month, Intuit -25%, Paychex -22%, FactSet -13%, and ADP -8%. The model leaned into the selloff, adding exposure to undervalued companies at yields above their earlier purchase levels. At the quarter-end rebalance, it doubled its positions in ADP, FactSet, Gen Digital, and Intuit from 1% to 2%, held Paychex at 2%, and added SS&C Technologies. It also bought back H&R Block, which it had sold in late August after a +14% gain; having sat out September, the model repurchased it at a 4.2% yield, above the 3.6% yield at its initial purchase. The September selloff left yields well above where the model bought: Gen Digital now yields 2.4% versus 1.6% in late August, Intuit 1.7% versus 1.3%, FactSet 1.7% versus 1.4%, and Paychex 4.5% versus 3.7%. The model is willing to own quality businesses through near-term uncertainty and systematically re-evaluates each position at every monthly rebalance.

Outlook

The 10-year Treasury yield ended September at 5.27%, the Federal Reserve has resumed raising interest rates, and market gains remain concentrated in a handful of the largest companies. The third quarter showed how that combination can weigh on equal-weighted, higher-yielding portfolios with exposure to smaller companies.

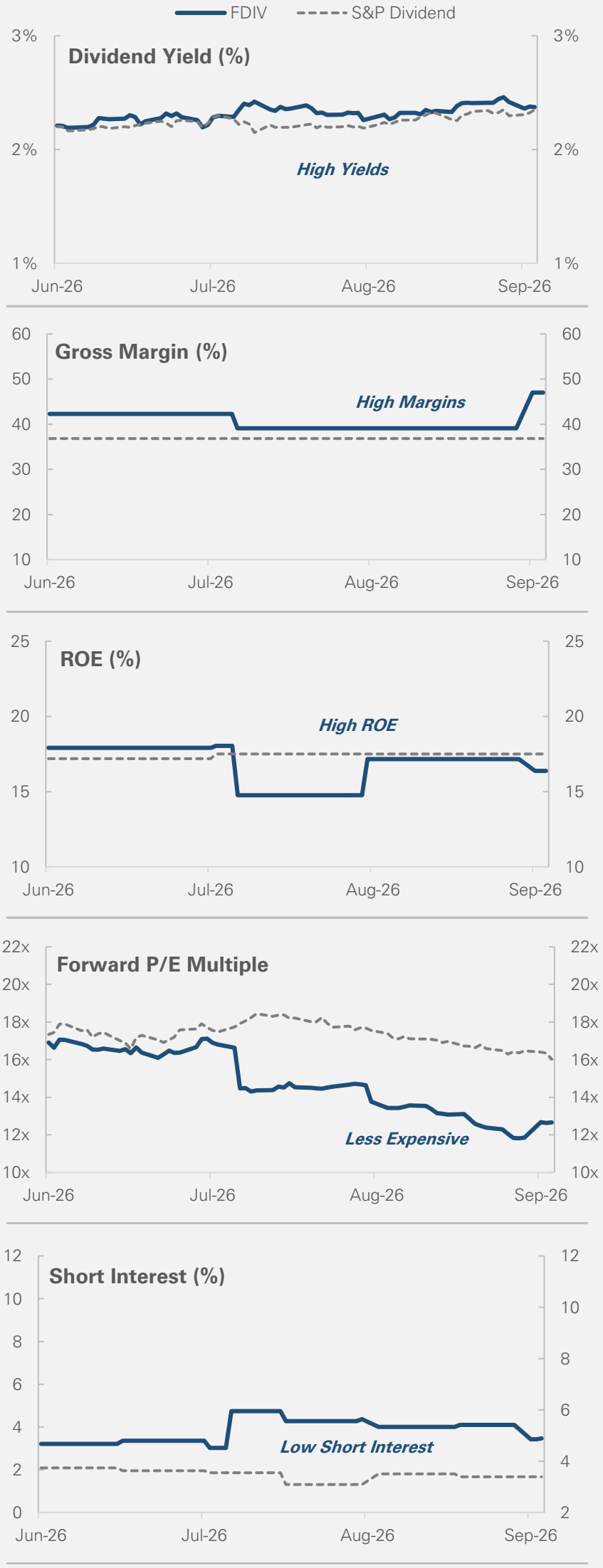
Through the end of August, FDIV's quantitative process worked as designed: the model rotated toward higher yields and captured gains in Energy and several individual companies, selling some of them before September's decline. In September, rising rates pushed against the fund's style exposures all at once and reversed those gains.

The process didn't change with the market. Each month, the model looks for healthy dividend payers whose yields are above average because their prices have fallen, takes the gain when the discount closes, and moves on. September widened those discounts. The model took advantage at the quarter-end rebalance. It bought back 11 companies it had sold in late August, after sitting out a September in which the group fell -7% on average and 10 of the 11 declined. Each one was bought back at a higher yield, with the average yield increasing from 2.7% to 3.0%. The model also doubled its positions in four companies caught in September's AI-related selloff.

The fund enters the fourth quarter with its largest exposures in Financials (23%) and Industrials (19%), followed by Consumer Staples, Technology, and Energy. The positioning reflects the fund's emphasis on dividend yield and exposure across a broad range of sectors. While much of today's market return comes from a few large technology companies, FDIV seeks returns through dividends and capital appreciation across a broad, equal-weighted group of established dividend payers.

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.

Figure 12: Portfolio Characteristics



Source: MarketDesk

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Important Disclosures

MarketDesk

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. For a prospectus with this and other information about the Funds, visit www.marketdeskindices.com/fund-documents. A free hardcopy of the prospectus may be obtained by calling +1.215.330.4476. 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.

– Risks common to XUSM –

Foreign Investment Risk. Returns on investments in foreign securities could be more volatile than, or trail the returns on, investments in U.S. securities. Investments in or exposures to foreign securities are subject to special risks, including risks associated with foreign securities generally, including differences in information available about issuers of securities and investor protection standards applicable in other jurisdictions; capital controls risks, including the risk of a foreign jurisdiction imposing restrictions on the ability to repatriate or transfer currency or other assets; currency risks; political, diplomatic and economic risks; regulatory risks; and foreign market and trading risks, including the costs of trading and risks of settlement in foreign jurisdictions.

Emerging Markets Risk. Investments in or exposures to emerging markets securities are subject to the same risks as foreign investments and to additional risks due to greater political and economic uncertainties as well as a relative lack of information about issuers in such markets. For example, emerging markets may be subject to, among other risks, greater market volatility; lower trading volume and liquidity; greater social, political and economic uncertainty; governmental controls on foreign investments and limitations on repatriation of invested capital; lower disclosure, corporate governance, auditing and financial reporting standards; fewer protections of property rights; fewer investor rights and limited legal, contractual or practical remedies available to investors against emerging market companies; restrictions on the transfer of securities or currency; and settlement and trading practices that differ from U.S. markets and markets of more developed countries.

Developed Market Risk. Many developed market countries have recently experienced significant economic pressures. Developed market countries generally tend to rely on the services sectors (e.g., the financial services sector) as the primary source of economic growth and may be susceptible to the risks of individual service sectors. Recently, new concerns have emerged with respect to the economic health of certain developed countries. These concerns primarily stem from heavy indebtedness of many developed countries and their perceived inability to continue to service high debt loads without simultaneously implementing stringent austerity measures. Such concerns have led to tremendous downward pressure on the economies of these countries. As a result, it is possible that interest rates on debt of certain developed countries may rise to levels that make it difficult for such countries to service high debt levels without significant help from other countries or from a central bank. Developed market countries generally are dependent on the economies of certain key trading partners. Changes in any one economy may cause an adverse impact on several developed countries.

– Risk common to XUSM and FMTM –

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.

– Risks common to FDIV –

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.

Value-Style Investing Risk. The Sub-Adviser may be wrong in its assessment of a company's value, and the stocks the Fund owns may not reach what the Sub-Adviser believes are their true values. The market may not favor value-oriented stocks and may not favor equities at all, which may cause the Fund's relative performance to suffer. Value stocks can perform differently from the market as a whole and from other types of stocks. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn. Furthermore, there is the risk that the factors which caused the depressed valuations are longer term or even permanent in nature, and their valuations may fall or never rise.

– Risks common to XUSM, FMTM, and FDIV –

Quantitative Security Selection Risk. Data for some companies may be less available and/or less current than data for companies in other markets. The Sub-Adviser uses quantitative analysis, and its processes could be adversely affected if erroneous or outdated data is utilized. The securities selected using quantitative analysis could perform differently from the financial markets as a whole as a result of the characteristics used in the analysis, the weight placed on each characteristic and changes in the characteristic's historical trends. In addition, the investment analysis used in making investment decisions may not adequately consider certain factors, or may contain design flaws or faulty assumptions, any of which may result in a decline in the value of an investment in the Fund.

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

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Important Disclosures

Premium-Discount Risk. The Shares may trade above or below their NAV. The NAV of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of Shares, however, will generally fluctuate in accordance with changes in NAV as well as the relative supply of, and demand for, Shares on the Exchange and other securities exchanges. The existence of significant market volatility, disruptions to creations and redemptions, or potential lack of an active trading market for Fund Shares (including through a trading halt), among other factors, may result in the Shares trading significantly above (at a premium) or below (at a discount) to NAV. If you buy Fund Shares when their market price is at a premium or sell the Fund Shares when their market price is at a discount, you may pay more than, or receive less than, NAV, respectively. The Adviser cannot predict whether Shares will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities held by the Fund. However, given that Shares can be purchased and redeemed in large blocks of Shares, called Creation Units (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their NAV), and the Fund's portfolio holdings are fully disclosed on a daily basis, the Adviser believes that large discounts or premiums to the NAV of Shares should not be sustained, but that may not be the case.

The Fund is distributed by PINE Distributors LLC. The Fund's investment adviser is Empowered Funds, LLC, which is doing business as ETF Architect. MarketDesk Indices LLC serve as the Sub-advisers to the Fund. PINE Distributors LLC is not affiliated with ETF Architect or MarketDesk Indices LLC.

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. **Portfolio Turnover** – A measure of how frequently assets within a fund are bought and sold. The volume of a mutual fund's holdings that is sold and replaced with new securities annually, usually expressed as a percentage of the fund's total assets. **ADRs** – U.S. dollar-denominated certificates that trade on American stock exchanges and track the price of a foreign company's domestic shares. **Basis Points (bps) –** Is a unit of measure used in quoting yields, changes in yields or differences between yields. One basis point is equal to 0.01%, or one one-hundredth of a percent of yield and 100 basis points equals 1%. **Magnificent 7 –** A group of seven dominant, mega-cap technology and growth companies: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, Tesla. **Weighted Average Dividend Yield** – A blended metric that calculates the overall dividend return of an investment portfolio.

FMTM Top 10 Holdings as of 9/30/2026: MRVL (3.5%), OKTA (3.5%), RVTY (3.4%), PANW (3.4%), NTAP (3.4%), AMGN (3.4%), SMTC (3.4%), MPC (3.4%), SNOW (3.4%), NTRA (3.4%).

XUSM Top 10 Holdings as of 9/30/2026: 6525-JP (2.3%), 7735-JP (2.3%), ATS-AT (2.3%), ASX-US (2.3%), 4062-JP (2.2%), GMAB-US (2.2%), 992-HK (2.2%), 6963-JP (2.1%), 8035-JP (2.1%), 6098-JP (2.1%).

FDIV Top 10 Holdings as of 9/30/2026: CCL (2.2%), GEN (2.1%), INTU (2.1%), AIG (2.1%), DINO (2.1%), BF.B (2.0%), TPG (2.0%), AU (2.0%), OLED (2.0%), TXN (2.0%).

Sources: MarketDesk Indices, Bloomberg