MarketDesk
Quantitative ETFs

# XUSM

## MarketDesk International Momentum ETF

*Investment Strategy Overview*

Standardized Performance

Quarter End as of 9/15/2026

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Year | 10 Year | Inception |
|---|---|---|---|---|---|---|---|
| **Market Price** | - | - | - | - | - | - | - |
| **Net Asset Value** | - | - | - | - | - | - | - |

**Inception Date**: 9/15/2026. **Expense Ratio**: 0.75%. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. Short-term performance may often reflect conditions that are likely not sustainable, and thus such performance may not be repeated in the future. For current month end performance call 215.882.9983 or visit www.marketdeskindices.com/xusm. **Market Price**: The current price at which shares are bought and sold. Market returns are based upon the last trade price. **NAV**: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

# Table of Contents

# Quarterly Fund Letters

Our quarterly Fund Letters review recent portfolio changes, performance attribution, and macro commentary on the trends shaping equity leadership.


**What's Inside Each Letter:**

- Portfolio positioning and rebalance summary
- Fund performance review and attribution
- Macro commentary and market outlook

**Recent Quarterly Letters:**

- Q2 2026 Quarterly Letter
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## MarketDesk International Momentum ETF

XUSM is 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 international 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.

## Why Invest in XUSM?

1

### A Smart Approach to Momentum Investing

Traditional momentum strategies rely on longer-term signals, creating the problem of being too dependent on outdated data and slow to react. XUSM aims to solve this with a more dynamic approach that utilizes a shorter lookback, allowing it to rotate between offense and defense as market conditions change. The strategy uses the last six months of daily price data to rank the universe by (1) consistency and (2) quality of momentum.

2

### Focused Portfolio of High-Quality International Momentum Stocks

Rather than owning hundreds of companies, XUXM owns a select list of the most attractive momentum stocks. XUSM's repeatable framework is designed to identify 50 to 100 high-quality international businesses with consistent and stable upward share price momentum. The result is a dynamic portfolio that can shift exposure to help deliver both capital appreciation and downside mitigation across market environments.

3

### 100% Data-Driven Investment Strategy

XUSM's quantitative framework aims to systematically generate above-average capital appreciation using the academically studied phenomenon of price momentum. The security selection process is rooted in statistics and uses a shorter-term momentum signal, giving XUSM the ability to react quickly and efficiently to changing market trends.

# Comparison Table – XUSM vs Peer Momentum ETFs

| Characteristics | XUSM MarketDesk | IMTM iShares | IDMO Invesco | IMOM Alpha Architect | EEMO Invesco | PIZ Invesco | PIE Invesco |
|---|---|---|---|---|---|---|---|
| **Strategy Type** | Active / Quantitative | Passive | Passive | Active / Quantitative | Passive | Passive | Passive |
| **Momentum Signal** | 6-month | 6- and 12-month | 12-month | 12-month | 12-month | No Fixed Window | No Fixed Window |
| **# of Holdings** | 50-100 | ~300 | ~200 | ~50 | ~250 | ~100 | ~110 |
| **Regional Universe** | Developed and Emerging Markets | Developed Only | Developed Only | Developed Only | Emerging Only | Developed Only | Emerging Only |
| **Size Weighting Style** | Equal-Weight | Market-Cap | Market-Cap | Equal-Weight | Market-Cap | Relative-Strength Weighted | Relative-Strength Weighted |
| **Rebalance Frequency** | Monthly | Twice a year | Twice a year | Monthly | Twice a year | Quarterly | Quarterly |
| **Expense Ratio** | 0.75% | 0.30% | 0.25% | 0.38% | 0.29% | 0.80% | 0.90% |
| **Inception Date** | 9/15/2026 | 1/13/2015 | 2/24/2012 | 12/22/2015 | 2/24/2012 | 12/28/2007 | 12/28/2007 |

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. Investing involves risk, including the possible loss of principal, and past performance is not indicative of future results. The information in this table has been compiled from sources believed to be reliable; however, its accuracy, completeness, and timeliness are not guaranteed. The summary is provided for informational purposes only and may contain abbreviations or shorthand intended to simplify presentation and improve readability. Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. Readers should independently verify all facts and consult the applicable fund sponsor materials, prospectuses, and other official disclosures before relying on this information. To learn more about the characteristics of each fund, visit https://www.marketdeskindices.com/xusm, https://www.ishares.com/us/products/271538/ishares-msci-international-developed-momentum-factor-etf, https://www.invesco.com/us/en/financial-products/etfs/invesco-sp-international-developed-momentum-etf.html, https://www.invesco.com/us/en/financial-products/etfs/invesco-sp-emerging-markets-momentum-etf.html, https://funds.alphaarchitect.com/imom/, https://www.invesco.com/us/en/financial-products/etfs/invesco-dorsey-wright-developed-markets-momentum-etf.html, and https://www.invesco.com/us/en/financial-products/etfs/invesco-dorsey-wright-emerging-markets-momentum-etf.html. Fund investment objectives: IMTM seeks to track the investment results of an index composed of international developed large- and mid-capitalization stocks exhibiting relatively higher price momentum. IDMO and EEMO seek to track the investment results, before fees and expenses, of the S&P World Ex-U.S. Momentum Index and the S&P Momentum Emerging Plus Large Mid Cap Index, respectively. IMOM seeks long-term capital appreciation by investing in international stocks with the strongest momentum as determined by the sub-adviser. PIZ and PIE seek to track the investment results, before fees and expenses, of the Dorsey Wright Developed Markets and Emerging Markets Technical Leaders Indexes, respectively.

# Fund Details

## ETF Details

| | |
|---|---|
| Expense Ratio | 0.75% |
| Fund Type | Quantitative Equity |
| Global Region | Developed & Emerging |
| Rebalanced | Monthly |
| Reconstitution | Monthly |
| Distribution Frequency | Annually |
| 30-Day SEC Yield [1] | – |

## Portfolio Characteristics

| | |
|---|---|
| Universe | International Stocks ex U.S. |
| Regions | Developed & Emerging Markets |
| # of Holdings | 50 to 100 |
| Position Weights | Equal Weight |
| Strategy | Short-Term Momentum |

## Fund Objective

The MarketDesk International Momentum ETF seeks long-term capital appreciation.

## 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 companies with stable and consistent momentum.

## Investment Approach

- Aims to own high-quality international businesses exhibiting upward price momentum to deliver both capital appreciation and downside mitigation.
- Rebalanced monthly to quickly and efficiently adjust exposure.

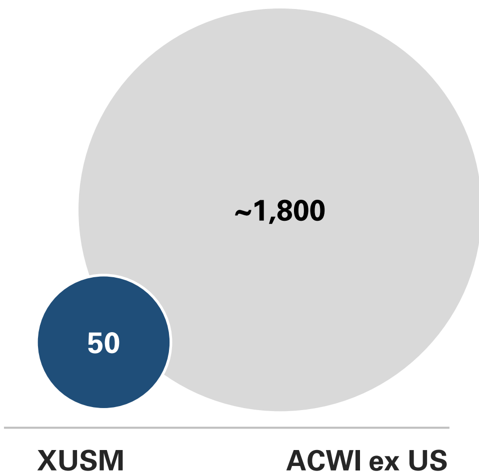
## Investment Style Category

| | | |
|---|---|---|
| Large Value | **Large Core** | Large Growth |
| Mid Value | Mid Core | Mid Growth |
| Small Value | Small Core | Small Growth |

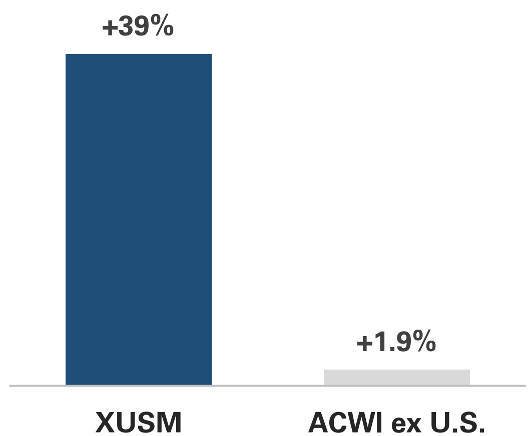
Source: MarketDesk. Data as of 9/15/2026. [1] Current 30-Day Yields represent the average annualized income dividend over the last 30 days excluding gains and losses as defined by the SEC. Current 30-Day Yield is the Current 30-Day Subsidized SEC Yield and reflects reimbursements or waivers of fees currently 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.

# Portfolio Characteristics

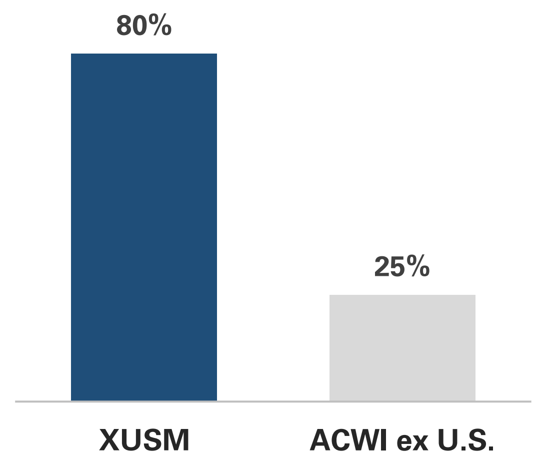
### Focused Approach
Holdings Overlap




### Strong Price Momentum
Median Six-Month Return of Holdings




### Stable & Consistent Trends
% of Holdings Outperforming in
4 or More of the Past 6 Months




Source: MarketDesk. Data as of 9/15/2026. For illustrative purposes only. The number of holdings in the Fund excluding cash positions and derivatives such as futures and currency forwards. Past performance is no guarantee of future results. Performance of the holdings for XUSM is not a substitute for the performance for XUSM. XUSM is subject to expense that are not included in the performance of the holdings. All Country World Index (ACWI) ex US 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.

# Equal Weight Portfolio with Minimal Market Overlap

XUSM is a quantitative momentum fund that invests across international Large and Mid Caps. The strategy's algorithm uses mathematics and statistics to inform security selection and manage risks. The portfolio is reconstituted and all holdings are **rebalanced to equal weight** at the start of every month.

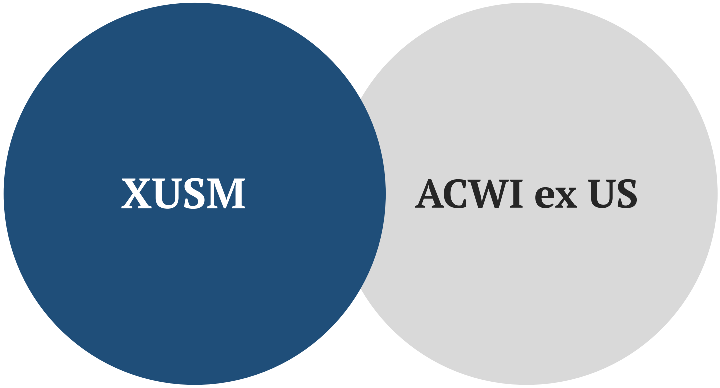
XUSM's equal-weight methodology is designed to achieve two primary investment objectives: (1) reduce company specific risk and (2) enhance alignment with the underlying quantitative investment framework.

Concentrated positions can materially increase a portfolio's company-specific risk. By allocating capital equally across holdings, the strategy mitigates this risk and ensures no single position disproportionately impacts performance.

In addition, equal weighting strengthens the portfolio's overall correlation to the fund's quantitative screening process. Unlike a market cap weighted approach, which allocates more heavily to larger companies regardless of their momentum characteristics, the equal-weight structure ensures that each holding contributes based on its quality of momentum, not its size.

**The ending result** is an international portfolio with minimal market overlap that is driven by momentum, not market cap.

**Only 4% Overlap with ACWI ex US**




**Peer Momentum ETFs Overlap with ACWI ex U.S.**

**IMTM** 34% | **IDMO** 15% | **IMOM** 4% | **EEMO** 10% | **PIZ** 10% | **PIE** 6%

Source: etfrc.com. Data as of 9/15/2026. Fund holdings and allocations are subject to change at any time. All Country World Index (ACWI) ex US Index represented by the iShares MSCI ACWI ex US ETF (ACWX). Holdings weight and overlap derived from 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. Overlap measures the similarity between a portfolio and its benchmark. A higher overlap indicates the portfolio closely mirrors the benchmark.

# Quantitative Methodology

1. **Starting Universe –** International companies (across both developed and emerging markets) with a market cap greater than $1 billion USD.

2. **Liquidity Filters** – Companies with the characteristics below are removed from the universe:

| | |
|---|---|
| a. Liquidity | Average Daily Volume Less Than $15 Million USD |
| b. Free Float | Less Than 40% of Market Capitalization |

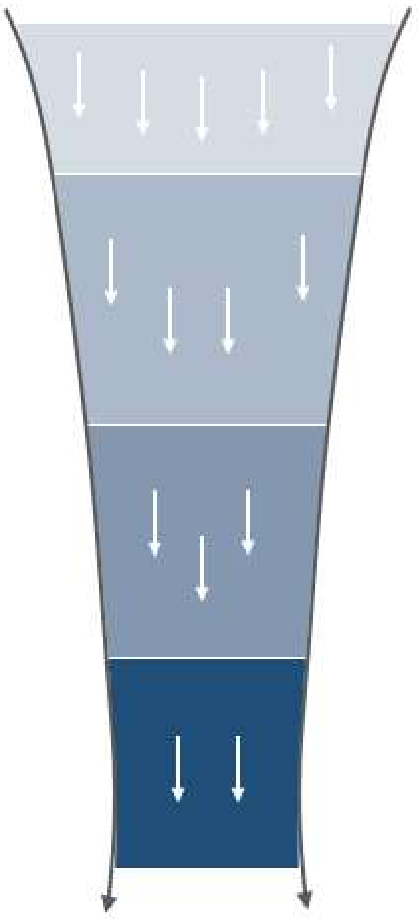
3. **Quality Filters –** Remaining universe is further screened based on balance sheet and income statement metrics to rank the quality and financial strength of each company:

   a. Profitability (Net Income, Return on Assets, Cash Flows)
   b. Operating Efficiency (Gross Margin, Asset Turnover Ratio)
   c. Balance Sheet Quality (Debt Levels, Current Ratio, Issuing New Shares)

4. **Momentum Ranking –** The algorithm intakes daily share price data from the past six months to identify stocks exhibiting stable upward share price appreciation. The universe is then ranked by the (1) consistency and (2) quality of price momentum.

5. **Equal Weight Portfolio –** The methodology selects the top 50-100 companies and equal weights each position, with no maximum sector exposure limit.

6. **Monthly Rebalance –** Holdings are systematically reconstituted and rebalanced monthly allowing the portfolio to remain dynamic across market cycles as it aims to deliver both capital appreciation and downside mitigation regardless of the broader market direction.



# How Momentum Investing Works

**Why Stock Price Data Matters:**

- Decades of academic research have documented momentum as one of the most persistent drivers of long-term equity returns
- Price data efficiently aggregates all available information across millions of daily trades into a single datapoint
- Shares prices are continuously updated and forward-looking, adjusting immediately as new information becomes available

**How XUSM Applies Momentum:**

- XUSM uses price data from the last six months and advanced mathematics to identify stocks with the highest relative momentum
- Stocks exhibiting strong and stable momentum are prioritized, while weakening trends are removed each month
- Monthly rebalancing ensures the portfolio remains aligned with current market leadership and adapts as conditions evolve

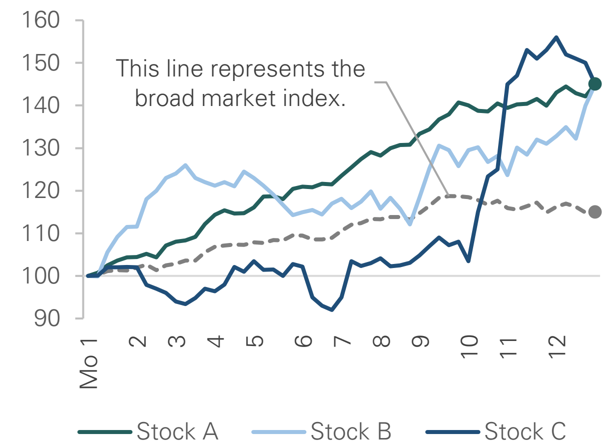

For illustrative purposes only. Data Source: MarketDesk.

# XUSM's Framework for Selecting Momentum Stocks

1

## Three Sample Stocks All Return +45%

- The chart on the right shows the hypothetical performance of three stocks that each returned +45% over a 12-month period. The grey line represents the broader market's return of +15% over the same period.
- The momentum factor revolves around a 1990s academic discovery in which stocks that outperformed in the past tend to continue to outperform, while those that underperformed will continue to underperform. A common way to measure momentum is to look at a stock's 12-month price return.
- Based on the above framework, traditional momentum would identify all three stocks as attractive. Each stock outperformed the broad market index and would be expected to continue to do so. However, as the chart shows, each stock took a very different path.



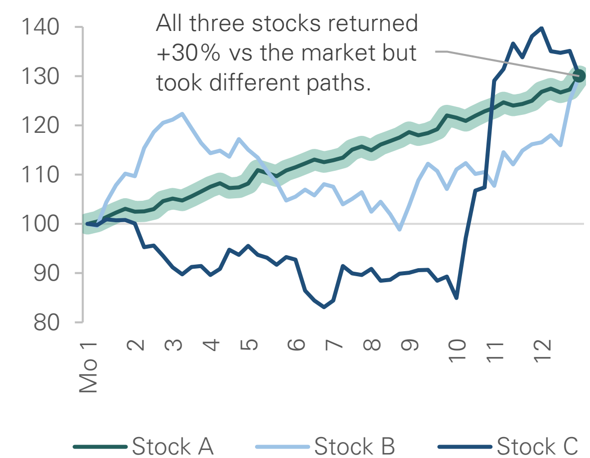

2

## Filter Out Market Noise with Relative Returns

- XUSM takes additional steps to differentiate the three stocks. The first step backs out the broad market's return (i.e., market beta) from each stock. By looking at relative returns, the algorithm can identify when stocks are outperforming, even during falling markets (i.e., the last few months in the chart above).
- Comparing Stocks B and C, we see that both underperformed for most of the first six months despite the market trading higher. The inconsistency detracts from the stocks' attractiveness as momentum stocks.

e

- In contrast, Stock A stands out for its consistent outperformance during the entire period, including when the market traded lower in the last few months of the above chart.




For illustrative purposes only. Past performance does not guarantee future results. Data Source: MarketDesk.

## 3 Identify Consistent Monthly Trends

● The second step examines the monthly relative return of each stock. In this step, the model searches for stocks with consistent and stable outperformance.

● Stock B has several months of strong outperformance, but it also has four months of significant underperformance. The majority of Stock C's outperformance occurred in one month. Both stocks lack consistent momentum (i.e., outperformance vs. the broad index) and rank as low-quality momentum trends.

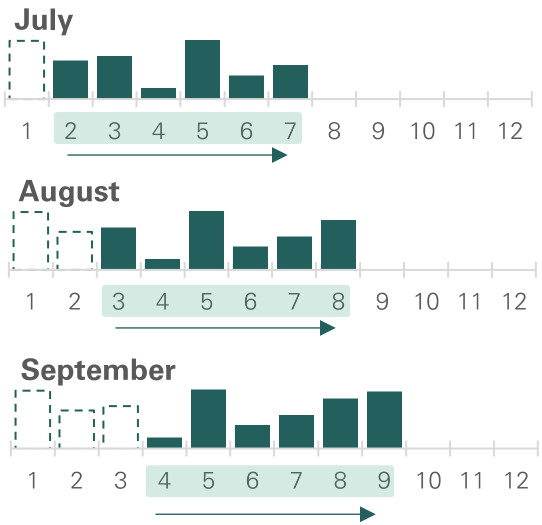
● Stock A's monthly returns provide the highest degree of consistency. Despite some variability from month to month, the overall trend is stable and strong. Stock A is the type of momentum stock that XUSM wants to hold.


## 4 Analyze the Rolling Last 6 Months of Data

● The third step focuses on the most recent six months. XUSM examines the rolling last six months of price data for each stock to identify opportunities like Stock A, which are consistently outperforming regardless of market direction.

● This chart provides an example of this process, which adds the latest month of data and rolls off the oldest month. This prevents the model from using stale data and places greater emphasis on recent trends.

● Traditional momentum strategies might find Stocks B and C equally attractive as Stock A given the similar ending points. However, XUSM's emphasis on consistency adds another dimension, which has served the strategy well across market cycles.




For illustrative purposes only. Past performance does not guarantee future results. Data Source: MarketDesk.

# Risk Management – Designed to Adapt During Changing Markets

**1. How is XUSM designed to respond during periods of market stress?**

- XUSM's framework is designed to respond to changing market conditions in two ways. First, the 6-month lookback weights recent price behavior more heavily than a 12-month window, which means deteriorating trends register in the model sooner. Second, the monthly rebalance allows the portfolio to act on those signal changes within weeks rather than waiting for the next semi-annual reconstitution.
- During periods of elevated market stress, the framework is designed to go further by emphasizing shorter-term price data, which makes the momentum signal even more responsive to recent leadership changes. As trends shift and previous leaders come under pressure, the strategy is designed to rotate toward areas of emerging relative strength rather than remain anchored to stale momentum signals.

**2. Does XUSM hedge or move to cash during periods of market stress?**

- Risk management is primarily implemented through holding selection rather than asset allocation shifts. During periods of elevated stress, the framework emphasizes shorter-term price data to identify which equities are demonstrating relative strength under current conditions.
- For example, during a market selloff, leadership often shifts toward lower-beta stocks (i.e., beta measures how much a stock's price moves compared to the whole market) and more defensive sectors, which is the type of relative strength the model is designed to identify and rotate toward. The portfolio still consists of 50 to 100 equal-weighted international large- and mid-cap stocks, but it rotates among those names more responsively when leadership is changing quickly. As a result, it would be reasonable to expect the portfolio's holdings and sector exposures to look materially different during a bear market than during a bull market.

**3. What environments are typically harder for momentum strategies?**

- Momentum strategies generally face their biggest challenges in three environments. The first is sharp, fast reversals or whipsaw markets where leadership flips abruptly and a strategy positioned in recent winners is left holding the wrong names just as the new leaders emerge. The second is range-bound or trendless markets where there is no clear leadership for a momentum framework to identify. The third is narrow rallies dominated by a small handful of mega-cap stocks, where an equal-weighted strategy will lag because it does not concentrate in those names.
- Every momentum implementation, including XUSM, has periods of relative underperformance. These periods are a normal part of factor-based investing, not a sign the framework is broken. What separates one momentum strategy from another is how quickly it adapts when conditions change. XUSM's monthly rebalance, 6-month lookback, and risk-driven signal adjustment are designed to respond faster, rotate sooner, and spend less time positioned in yesterday's leadership.

# Top FAQs on XUSM

**1. Explain XUSM's Investment Strategy?**

- XUSM is the MarketDesk International Momentum ETF, a quantitative strategy that seeks to provide focused exposure to international companies exhibiting the most consistent upward price trends. Each month, the strategy ranks the investable universe on a momentum signal that emphasizes the quality and stability of a stock's recent price trend, then builds an equal-weighted portfolio of 50 to 100 names with the strongest momentum scores. Names showing weakening trends are removed at the next rebalance to capture profits and limit further losses.

**2. How is XUSM different from other international momentum ETFs?**

XUSM differs from other momentum ETFs across four dimensions:

- Signal – XUSM evaluates the consistency and quality of a stock's recent trend. Most peers rank on raw 12-month total return.
- Lookback – XUSM uses a shorter 6-month window compared to the traditional 12-month window.
- Rebalance – XUSM rebalances monthly. Most index-based momentum ETFs rebalance only twice per year.
- Construction – XUSM holds 50-100 equal-weight positions across international large- and mid-caps. Most peers hold 200+ positions.

**3. How is XUSM designed to respond during periods of market stress?**

- XUSM's framework is designed to respond to changing market conditions in two ways. First, the 6-month lookback weights recent price behavior more heavily than a 12-month window, which means deteriorating trends register in the model sooner. Second, the monthly rebalance allows the portfolio to act on those signal changes within weeks rather than waiting for the next semi-annual reconstitution.
- During periods of elevated market stress, the framework is designed to go further by emphasizing shorter-term price data, which makes the momentum signal even more responsive to recent leadership changes. As trends shift and previous leaders come under pressure, the strategy is designed to rotate toward areas of emerging relative strength rather than remain anchored to stale momentum signals.

**4. How does XUSM fit alongside an broad international market exposure?**

- XUSM is designed to complement a broad-market core holding, not replace it. Because XUSM holds 50 to 100 equal-weighted positions drawn from a broad universe of developed and emerging markets, its portfolio has minimal overlap with broad market indices.

Click Here to Explore 25+ FAQs Across Six Topics

# Important Disclosures

**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 XUSM 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. **Foreign Investment Risk.** Foreign securities may be more volatile than, or underperform, U.S. securities. They carry additional risks, including risks associated with foreign securities generally, less available issuer information and weaker investor protections; capital controls, such as restrictions on repatriating currency or assets; currency fluctuations; political, diplomatic and economic instability; regulatory differences; and higher trading and settlement costs and risks. **Emerging Markets Risk.** Emerging markets carry the risks of foreign investing in heightened form, along with greater volatility, thinner trading volume and liquidity, and greater social, political and economic uncertainty. They may also feature government restrictions on foreign investment and capital repatriation; weaker disclosure, governance, auditing and financial reporting standards; less protection for property and investor rights; limited legal remedies against local companies; and settlement and trading practices that differ from those in the U.S. **Developed Market Risk.** Developed economies often depend heavily on services sectors, such as financial services, and on a small number of key trading partners, so weakness in one sector or partner economy can affect the broader economy. High sovereign debt levels may also pressure these economies: servicing that debt can require austerity measures or external support, and rising interest rates can make it harder still. Because these economies are interconnected, a downturn in one may affect several. **Momentum Risk.** Securities with high recent relative returns may be more volatile than the broader market. Momentum can reverse quickly, and securities that have exhibited it may not continue to do so. The momentum style may fall out of favor for extended periods and underperform other investment styles or the market as a whole. **Periodic Reallocation Risk.** The Sub-Adviser generally reallocates the portfolio only monthly. Between reallocations, the Fund's exposure may not reflect current conditions: significant market moves just after a reconstitution may not predict the following month, and the Fund's exposure may lag a change in market direction by as much as a month. These lags may cause significant underperformance relative to the broader market. **Non-Diversification Risk.** As a non-diversified fund, the Fund may be more sensitive than a diversified fund to developments affecting an individual issuer or investment, which may cause greater fluctuation in Share value 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.** A sector may underperform other sectors or the market as a whole. The more the Fund allocates to a given sector, the more its performance depends on developments affecting 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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