



ALPHADROID

Index Methodologies

Rules, Objectives, and Principles for Managing These Indexes

- **AlphaDroid EZ-MO Broad Markets Momentum Index**
- **AlphaDroid EZ-RO Defensive Sector Rotation Index**

Updated Jan. 22, 2026

I. Introduction

A. Index Overview

SumGrowth Indexes is a service of SumGrowth, Inc. (SGI), the “Index Provider” and “Index Administrator.” SGI employs the cross-disciplinary sciences of Matched Filter Theory and Differential Signal Processing seeking to improve momentum selections in bull markets, and defensively employs Fuzzy Logic AI seeking to avoid equity risk in bear markets. By integrating a complete tactical portfolio management system within the ETF methodology its shorter-term defensive and momentum trades benefit from the ETF’s tax-efficient exchange-in-kind feature. This document describes the methodology and construction of the following AlphaDroid banded Indexes (the “Index” or “Indexes”):

- **AlphaDroid EZ-RO Defensive Sector Rotation Index**
- **AlphaDroid EZ-MO Broad Markets Momentum Index**

Based on transparent and objective rules, SumGrowth Indexes are dynamic multi-asset indexes seeking to deliver higher returns and lower risk than a static portfolio composed of comparable assets. They are non-traditional Indexes that employ adaptive momentum, active and passive risk reduction, and integrated bear market strategies. They are fully automated and passively managed Indexes that produce their periodic investment selections without any discretionary input from an active manager. Eligible securities are limited to U.S. publicly traded ETFs deemed suitable to the methodology and investability of each Index.

II. Index Construction Rules

A. Index Construction Overview

A SumGrowth Index consists of a portfolio of underlying momentum strategies, each with a particular Strategic Category and an assigned allocation weight, as illustrated in Table 1. Each momentum strategy selects one ETF from within its Strategic Category of candidate ETFs to represent the strategy in the portfolio. Momentum strategies seek to identify ETFs having the highest expected subsequent monthly return performance (the “Momentum Leader”) relative to other candidates within its Strategic Category.

Each Index additionally employs a proprietary Bull/Bear Indicator that seeks to determine whether U.S. equity markets appear to be in an advancing market (a “Bull” indicator) or appear to have an elevated risk of market decline (a “Bear” indicator). When a Bull market is indicated, the Index identifies a portfolio of ETFs, one selected by the momentum strategy associated with each of its Strategic Categories. When a Bear market is indicated, each underlying momentum strategy automatically switches its model to a Bear market strategy by replacing the strategic candidate ETFs with a set of defensive candidate ETFs that generally perform better in Bear markets. The Index then identifies a portfolio of ETFs, one selected by the Bear market strategy associated with each of its Strategic Categories. Bear market strategies seek to avoid the punishing losses of a market crash while striving for returns better than sitting on the sidelines in cash.

Table 1. SumGrowth® Indexes: Strategic Categories, and Allocation Weights

AlphaDroid EZ-MO Broad Markets Momentum Index		AlphaDroid EZ-RO Defensive Sector Rotation Index	
Strategic Category	Weight	Strategic Category	Weight
SPY Defender	33.3%	Sectors - SPDR	12.5%
QQQ Defender	33.3%	Sectors - iShares	12.5%
Global Defender	33.3%	Sectors - Vanguard	12.5%
		Sectors - Dissimilar	12.5%
		Subsectors - SPDR	12.5%
		Subsectors - iShares	12.5%
		AI Champions	12.5%
		Global Prudence	12.5%

EZ-MO Broad Markets Momentum Index – Summary

During Bull markets, the EZ-MO Broad Markets Momentum Index selects a portfolio of three ETFs comprising the Momentum Leaders of each of its three underlying strategies: SPY-Defender, QQQ Defender, and Global Defender. During faltering Bull markets, the Index further considers the momentum of a Defensive Backstop strategy intended to provide a performance floor for the Momentum Leader selection process. During Bear markets, the Index employs a Bear market strategy that seeks to avoid risk and secure a positive return by selecting Momentum Leaders from among a selection of bond, treasury, gold, and other defensive ETFs.

EZ-RO Defensive Sector Rotation Index – Summary

During Bull markets, the EZ-RO Defensive Sector Rotation Index selects a portfolio of eight ETFs comprising the Momentum Leaders of each of its eight underlying strategies: Sectors-SPDR, Sectors-iShares, Sectors-Vanguard, Sectors-Dissimilar, Subsectors-SPDR, Subsectors-iShares, AI Champions, and Global Guard. During faltering Bull markets, the Index further considers the momentum of a Defensive Backstop strategy intended to provide a performance floor for the Momentum Leader selection process. During Bear markets, the Index employs a Bear market strategy that seeks to avoid risk and secure a positive return by selecting Momentum Leaders from among a selection of bond, treasury, gold, and other defensive ETFs.

B. Bull/Bear Index Construction Process

The Index employs a proprietary market risk indicator (the Bull/Bear Indicator) that seeks to determine whether U.S. equity markets appear to be in an advancing market (a “Bull” indicator) or appear to have an elevated risk of market decline (a “Bear” indicator).

The Bull/Bear Indicator is an algorithm that assesses the risk of U.S. equity markets using four primary metrics: Price-Trend, Market Momentum, Value Sentiment, and Market Volatility (per section III-I). Price-Trend indicates the degree to which U.S. market securities prices are trending higher or lower. Market Momentum indicates the volume-adjusted price-trend of U.S. equity market securities to assess investor conviction. Value Sentiment indicates the recent proportion of U.S. equity market securities making 52-week highs against those making 52-week lows. Higher Market Volatility is correlated with a higher probability of declining markets and may indicate the possible onset of an extreme market decline.

The Bull/Bear Indicator algorithm additionally employs a set of secondary Validation tests to confirm the primary Bull/Bear indication and reduce the potential generation of whipsaw losses when market conditions suddenly shift in a direction opposite to that indicated by the primary metrics, or change character as a bear

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market deepens. These proprietary confirmation tests involve complex technical analysis, but may be summarized as follows:

- **False Alarm:** A Validation exception test checking for a recent new market high or various forms of near-term sharp market rebound that is used to prevent the Bear Indicator from false triggering.
- **Early Return:** A Validation exception test checking for various forms of sharp market rebounds during a Bear Indication that may warrant invalidating the Bear Indication and shifting to a Bull Indication. Tests additionally employ enabling conditions and proportionality of thresholds. For example, a rebound >10% of the S&P500 resulting in its highest value in over 30 days, of an S&P500 rebound >75% of its decline in the last seven days following a recent drop of at least 5%.
- **Prolonged Bear:** When Prolonged Bear is negative it indicates that the current Bear market has been particularly long and thus (a) the above Validation tests are to be ignored and (b) that Price-Trend must now become positive before a shift from Bear to Bull can occur.

Each Index remains constructed using a “Bull” or “Bear” Index Construction Methodology, as the case may be, until a subsequent event triggers a change. Shifts generally occur at month-end, but may also occur by exception on any other day of the month (sometimes referred to as “mid-month”) as described below. The Index is reconstructed and rebalanced at each month-end and following each shift of the Bull/Bear Indicator.

- **Bull to Bear:** The “Bear” indicator will be triggered (a) at month-end if any one of the three primary metrics Price-Trend, Market Momentum, and Value Sentiment is negative in value, declining further, and there are no Validation exceptions, or (b) at any time during the month when excess Market Volatility is indicated. Excess Market Volatility is measured with both a short-term SMA (simple moving average) and EMA (exponential moving average) measures of the VIX (volatility index) and confirmed by a strong flight to safety as indicated by the short-term differential movement between treasuries and equities.
- **Bear to Bull:** When the Prolonged Bear is positive, the “Bull” indicator is triggered (a) at month-end if any one of the three primary metrics Price-Trend, Market Momentum, and Value Sentiment is positive in value and the others are all increasing, or (b) at any time during the month when the Early Return Validation test becomes “True.” When the Prolonged Bear is negative the “Bull” indicator is triggered at month-end if both Price-Trend and Market Momentum are positive in value.

The Bull/Bear Indicator is published online daily by the Index Provider as StormGuard-Armor at: <https://www.alphadailybrief.com/Pages/RiskAvoidance.aspx>

c. Bull Index Construction Methodology

Step 1:

The Index Provider first identifies a set of broad Investment Categories (listed below) having somewhat divergent investment objectives, and further divides each Category into a set of Subcategories. A Category may additionally include a “broad U.S. equity markets” or a Defensive Backstop Subcategory that seeks to provide a performance floor for the Momentum Leader selection. Categories and Subcategories are viewed as general guidelines. The scope of each is interpreted broadly as many Categories and Subcategories of ETFs inherently overlap. As a result, a single ETF may be included in multiple Categories and Subcategories.

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- The “Sectors” Category includes ETFs that invest primarily in one of several economic sector Subcategories, such as healthcare, energy, technology, and finance.
- The “Subsectors” Category includes ETFs that invest primarily in one of several economic industry Subcategories, such as retail, software, semiconductors, pharmaceutical, defense, and construction.
- The “Global” Category includes ETFs that invest primarily in one of several broad geopolitical region Subcategories, such as North America, Europe, Asia, and emerging markets.
- The “AI Champions” Category includes ETFs that invest primarily in one of several AI Subcategories, such as semiconductors, robotics, generative AI, search and agent apps, and technology.

The Bull Universe for Investment Categories excludes, among others: (1) certain small ETFs (based on assets under management); (2) currency ETFs; (3) leveraged ETFs; (4) inverse ETFs; (5) global/ foreign fixed income ETFs; and (6) ETFs with less than one year of operating of history. The foregoing exclusions are viewed as general guidelines based on the relevant ETF’s name and investment objective. The Fund’s underlying ETFs may, from time to time, hold the foregoing types of securities in their portfolios. This is required as some ETFs do not follow a pure investment strategy or the investment strategy is subject to interpretation.

Step 2:

In the second step of the Bull Index Construction Methodology, the Index Provider identifies a Defensive Backstop Subcategory having a broad set of supportive or defensive asset class ETFs that may include (1) commodities, (2) any-term US Treasuries, (3) any-term aggregate, corporate, municipal, and high-yield bonds, (4) US dollar index, (5) primary sectors, and (6) broad US equity markets, all of which seek to provide a performance floor during the Momentum Leader selection process of an equities Investment Category.

The Bull Universe for the Defensive Backstop Category excludes, among others: (1) certain small ETFs (based on assets under management); (2) leveraged ETFs; (3) inverse ETFs; (4) global/foreign ETFs; and (5) ETFs with less than one year of operating of history. The foregoing exclusions are viewed as general guidelines based on the relevant ETF’s name and investment objective. The Fund’s underlying ETFs may, from time to time, hold the foregoing types of securities in their portfolios. This is required as some ETFs do not follow a pure investment strategy or the investment strategy is subject to interpretation.

Step 3:

In the third step of the Bull Index Construction Methodology, the Index Provider determines the Bull Universe of ETFs for each Investment Category and Subcategory. The Index Provider initially screens ETFs based on information provided by the ETF’s name and investment objectives to identify candidates for membership in a particular Investment Category and Subcategory. Redundant candidates with a shorter history, smaller AUM, erratic performance, or higher expense ratio may be excluded. Annually, or as necessary, the Index Management Committee will review the Bull Universe membership and recommend necessary changes.

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Step 4:

In the fourth step of the Bull Index Construction Methodology, a Duplicate Reduction algorithm (Section III-I) identifies instances of duplicate selections and attempts to find suitable well-correlated alternatives. When a suitable alternative cannot be found, duplicate ETF selections are permitted. Nevertheless, at least the minimum number of unique ETFs specified in Table 2 will be selected.

Table 2. Bull ETF Categories and Unique ETF Selections		
Index Name	Strategic Categories	Unique ETFs Selected
EZ-MO Broad Markets Momentum	3	3
EZ-RO Defensive Sector Rotation	8	5 to 8

Index Block Diagrams

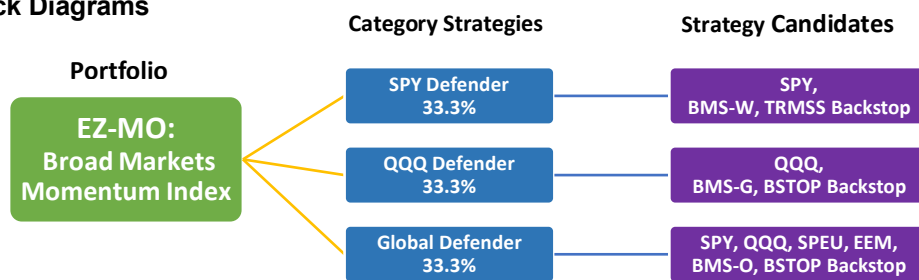


Fig. 1a. EZ-MO Broad Markets Momentum Index Diagram

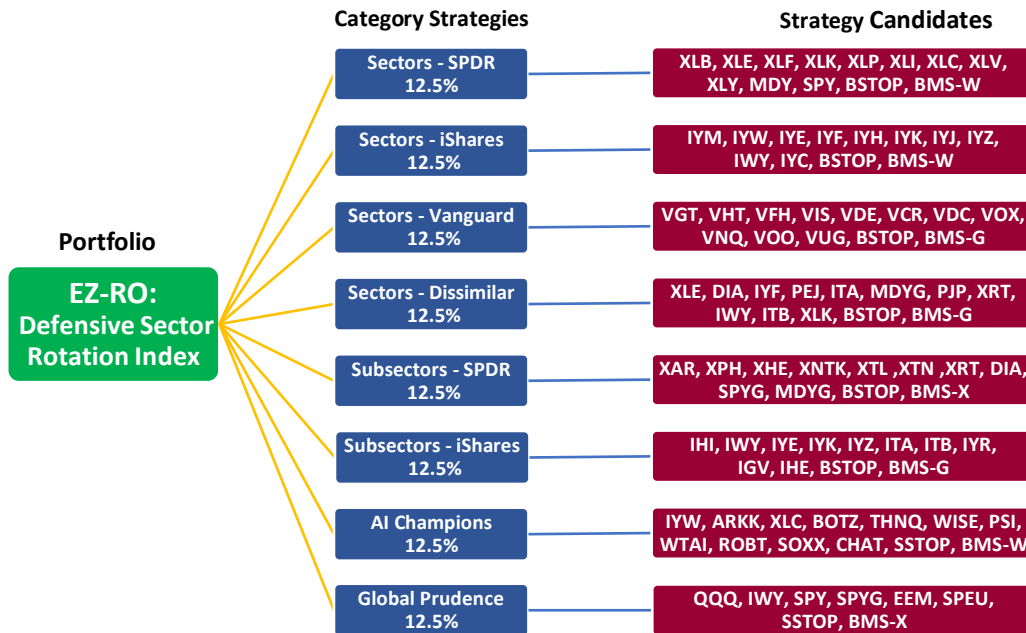


Fig. 1b. EZ-RO Defensive Sector Rotation Index Diagram

D. Bear Index Construction Methodology

Step 1:

The Index Provider first identifies a set of investment Subcategories for the Bear Market Category having generally defensive investment objectives. The Bear Universe Subcategories include (1) inflation-protected treasury; (2) any-term US treasury; (3) any-term aggregate or corporate bond; (4) high-yield bond; (5) gold; and (6) broad-based U.S. equity market index (seeking better returns during a bear market rebound). However, if the Bear Indicator was triggered due to excess Market Volatility, the Index's Bear Universe will include only US Treasury ETFs.

The Bear Universe excludes, among others: (1) leveraged ETFs; (2) currency ETFs; (3) global/foreign fixed income ETFs; (4) commodity ETFs (except gold); (5) equity ETFs (except broad-based U.S. equity market index ETFs); (6) ETFs with less than \$500 million of assets under management; and (7) ETFs with less than one year of operating of history. Each of the foregoing exclusions is based only on the relevant ETF's name and investment objective; and as a result, the Fund's underlying ETFs may, from time to time, hold the foregoing types of securities in their portfolios. This is required as some ETFs do not follow a pure investment strategy or the investment strategy is subject to interpretation. As a result, a single ETF may also be included in more than one Subcategory.

Step 2:

In the second step of the Bear Index Construction Methodology, three defensive Bear Models are created, each incorporating a different mix of Bear Universe ETFs that improve diversity and reduce investment risk. Each Strategic Category is assigned one of these three Bear Models, and thus each Index Category will select a Bear Momentum Leader. Because there are so few defensive fund options, the Strategic Categories of an Index will often select one or more duplicate defensive ETFs.

Step 3:

In the final step of the Bear Index Construction Methodology, a Duplicate Reduction algorithm (Section III-I) identifies instances of duplicate selections and attempts to find suitable alternatives from the same Subcategory, by selecting the one with the highest correlation in the past two months. If a suitable alternative cannot be found, duplicate ETF selections are permitted. Nevertheless, at least the minimum number of unique Bear ETFs specified in Table 3 will be selected.

Index Name	Strategic Categories	Unique ETFs Selected
EZ-MO Broad Markets Momentum	3	2-3
EZ-RO Defensive Sector Rotation	8	3 to 8

E. Defensive Backstop Model Construction

The Defensive Backstop Model comprises a momentum strategy which selects the Momentum Leader from among a set of 12 candidate ETFs uniquely representing one of the Defensive Backstop Category's 12 defensive investment objectives. The defensive momentum strategies employ the Forward-Walk Progressive-Tuning methodology of Section II-F.

F. Polymorphic Momentum – Forward-Walk Progressive-Tuning

“Poly,” meaning many, and “morph,” meaning change, describe the nature of the momentum filter design for the Indexes. Momentum filters may be either double exponential moving average (DEMA) or triple exponential moving average (TEMA) in form and are progressively re-tuned when the Index is reconstructed and rebalanced.

Progressive Tuning allows the Models to automatically adapt to (1) the ever-changing character of the market, and (2) the very different combinations of ETFs each Model may present for analysis. At each re-tuning interval, past performance (in-sample data) over a range of momentum filter time constants is reviewed to determine the parameters to be used during the subsequent month (out-of-sample data). This “forward walk” optimization process is widely used in model design to eliminate hindsight bias in tuning algorithm parameters. The filter time constants typically range from 11 days to 105 days depending on the absolute and differential noise characteristics of the candidate ETF daily data. The Index Provider sometimes refers to this process as “Progressive Tuning” or as “Forward-Walk Progressive-Tuning.”

III. Calculations and Rules

A. EMA, DEMA, TEMA

EMA is the exponential moving average, DEMA the double exponential moving average, and TEMA is the triple exponential moving average of a data series computed as follows:

$$EMA(n) = \frac{Val(n)}{d} + EMA(n - 1) * \left(1 - \frac{1}{d}\right)$$

$$DEMA(n) = \frac{EMA(n)}{d} + DEMA(n - 1) * \left(1 - \frac{1}{d}\right)$$

$$TEMA(n) = \frac{DEMA(n)}{d} + TEMA(n - 1) * \left(1 - \frac{1}{d}\right)$$

Where:

- d = the EMA filter time constant in days.
- $V(n)$ = the value of raw data on the n^{th} day.
- $EMA(n)$ = the EMA value on the n^{th} day
- $DEMA(n)$ = the DEMA value on the n^{th} day
- $TEMA(n)$ = the TEMA value on the n^{th} day

B. Trend Leader vs Momentum Leader

The trend leader is the fund with the highest DEMA or TEMA of its daily return data series. The choice between the DEMA or TEMA filter is determined by the performance/Fitness of the strategy. The Momentum Leader is the fund with the highest expected subsequent monthly return performance. Generally, the Momentum Leader is the Trend Leader. However, following an overbought or oversold condition, mean reversion principles may apply for a period of time resulting in the projected Momentum Leader being the opposite of the Trend Leader.

$$\mathbf{TrendLeader} = \mathit{IndexOfMax}(\mathit{Trend}(i)) \dots \text{for } i = 1 \text{ to } 12$$

Where:

- i = the index, 1 to 12, of a strategy's candidate funds
- $\mathit{Trend}(i)$ = the trend value of the i^{th} candidate fund
- $\mathit{IndexOfMax}(f(i))$ = the index of fund(i) having the highest trend

C. CAGR – Compound Annual Growth Rate

The CAGR is the annualized return for an investment.

$$\mathbf{CAGR} = \left(\frac{\mathit{EndPrice}}{\mathit{StartPrice}} \right)^{\frac{1}{\mathit{yrs}}} - 1$$

Where:

- yrs = the number of years the investment was held

D. Quarterly Downside Deviation

The underlying measure of risk used herein will be the Quarterly Downside Deviation (QDD), which is calculated as the root mean square of negative quarterly returns, sampled daily over the portfolio's data span. More specifically:

$$\mathbf{Quarterly\ Downside\ Deviation} = \sqrt{\frac{\sum_{i=1+3mo}^{\mathit{Total\ Days}} \left[\mathit{Min} \left(\frac{p(i)}{p(i-3mo)} - 1, 0 \right) \right]^2}{\mathit{Total\ Days} - 3mo}}$$

Where:

- $\mathit{Total\ Days}$ = the number of market days in the evaluation period.
- $3mo$ = one quarter of a year, typically 63 market days.
- $p(i)$ = the equity curve value on day i .

E. Relative Risk

Relative Risk is a ratio between the Quarterly Downside Deviation (QDD) of a strategy versus the Quarterly Downside Deviation of a very aggressive traditional portfolio consisting of 70% VFINX and 30% VTRIX measured from 1/2/2004 to the present.

$$\mathbf{RelativeRisk} = \mathit{QDD}_{\mathit{TestPortfolio}} / \mathit{QDD}_{\mathit{AggressivePortfolio}}$$

F. Score

The Score value for a strategy is a risk-adjusted return that includes the CAGR for all years, the CAGR for the most recent three years, and the RelativeRisk value for the Strategy.

$$\text{Score} = (CAGR_{AllYrs} + CAGR_{3Yrs} / 2) / (40\% + RelativeRisk)$$

G. Progressive Tuning

At each six-month interval, the Tuning Time Constant for the momentum filter is re-evaluated by evaluating the **Score** of a strategy's performance over a range of 20 time constants ranging from 11 days to 105 days with an interval determined by a geometric ratio step size of 1.125. The tuning time constant producing the best **Score** will be used for the momentum filter algorithm for the subsequent six-month period of time.

$$\text{TimeConstant}(i) = 10 * 1.125^i \quad \dots \quad \text{for } i = 1 \text{ to } 20$$

$$\text{BestIndex} = \text{IndexOfMax}(\text{Score}(\text{TimeConstant}(i))) \quad \dots \quad \text{for } i = 1 \text{ to } 20$$

$$\text{TuningTimeConstant} = \text{TimeConstant}(\text{BestIndex})$$

Where:

- i = the index, 1 to 20, of a strategy's candidate funds
- $\text{TimeConstant}(i)$ = the momentum filter time constant in market days
- $\text{Score}(\text{TimeConstant}(i))$ = the **Score** of the strategy using $\text{TimeConstant}(i)$
- $\text{IndexOfMax}(\text{Score}(\text{TimeConstant}(i)))$ = the index of the one with the best **Score**
- $\text{TuningTimeConstant}$ = the final momentum filter time constant in market days

H. Price-Trend, Market Momentum, Value Sentiment, and Market Volatility

The Price-Trend is calculated as the 50d DEMA of the S&P500 composite index daily return, scaled monthly (21 market days), and offset by +0.5%. The Market Momentum is calculated as the 50d DEMA of the Volume-Adjusted S&P500 composite index daily return, scaled monthly, and offset by +0.5%. The Volume-Adjusted S&P500 composite daily return scales the daily return in proportion to the square of the $\text{UpVolume}/\text{TotalVolume} + .5$

$$\text{PriceTrend} = 21 * \text{DEMA}_{50d}(\text{DailyReturnsS\&P500}) + 0.5\%$$

$$\text{VolAdjustedDailyReturnsS\&P500} = \text{DailyReturnsS\&P500} * [\text{UpVolume}/\text{TotalVolume} + .5]^2$$

$$\text{MarketMomentum} = 21 * \text{DEMA}_{50d} * (\text{VolAdjustedDailyReturnsS\&P500}) + 0.5\%$$

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$$\mathbf{AvgHighsPlusLows} = \mathit{EMA}_{255d}(\mathit{NewHighs} + \mathit{NewLows})$$

$$\mathbf{ValueSentiment} = \mathit{EMA}_{15d}(2 * \mathit{NewLows} / \mathit{AvgHighsPlusLows}) / 66$$

Where:

- *UpVolume* and *TotalVolume* are trading volume of US Markets
- *NewHighs* and *NewLows* are rolling 52-week of US Markets

$$\mathbf{MarketVolatility} \cong 2 * \mathit{EMA}_{4d}(\mathit{VIX}) / 3$$

Where:

- *Trigger Threshold* = 20

Trigger Conditions:

- $\mathit{EMA}_{7d}(\mathit{S\&P500 Daily Return}) < -0.15$
- $\mathit{EMA}_{7d}(\mathit{VUSTX Daily Return}) > 0.05$
- $\mathit{STA.LTA}_{4d}(\mathit{VIX Value}) > 3$

I. Duplicate Reduction Rule

When a Category selects the same ETF already selected by another Category, a suitable substitute is identified to improve diversification and trading logistics. The set of candidate substitutes is limited to the set of ETFs belonging to the same Sector/Asset Class. The candidate substitutes are ranked as follows, and the list is searched for the first non-duplicative instance with a *Ranking* > 0.95. Failure to find a suitable substitute generally results in accepting a duplicate selection.

$$\mathbf{Ranking} = \mathit{Correlation}_{42d}(1 + \mathit{Return}_{42d})$$

Where:

- *Correlation* is the 42 market-day correlation between the selection and the candidate
- *Return* is the 42 market-day cumulative return of the candidate

J. Prolonged Bear

The Prolonged Bear indicator is calculated as the 90d EMA of the S&P500 composite index daily return. When negative it disables Bull to Bear Validation tests and disables Bear to Bull Cancellation tests.

$$\mathbf{ProlongedBear} = \mathit{EMA}_{90d}(\mathit{DailyReturnS\&P500})$$

K. Minimum AUM Exclusion Rule

The Index Methodology excludes certain ETFs based on assets under management (AUM). Each month-end, candidate ETFs for each underlying Model of each Index Category are checked to ensure their current AUM meets the minimum required. When an ETF fails to meet the minimum required AUM, if a suitable substitute cannot be found using the Duplicate Reduction Rule, the candidate ETF is simply eliminated. The minimum AUM for Indexes and Categories is identified in the table below. Classification of funds for this purpose is algorithmically determined by its ticker symbol or information gleaned from its name:

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ETF Category	Min. AUM
All Bond & Treasury ETFs	\$500M
Gold ETFs	\$500M
Broad Market Equity Index ETFs	\$500M

ETF Category	Min. AUM
Factor ETFs	\$250M
Sector ETFs	\$150M
Other ETFs	\$150M

L. 12(d)-1 Rule Satisfaction

The Indexes (individually or jointly) may occasionally select ETFs with insufficient AUM per Section 12D-1 under the Investment Company Act of 1940 for a fund's trades to be completely executed by the fund advisor. To overcome the 3% max ownership limitation the fund advisor (1) has acquired "Participation Agreements" from many of the larger asset managers, and (2) asked for an automated list of highly correlated suitable alternates that reasonably satisfy the selection allocations of the Index.

Following each Index reconstruction, the Index Provider employs the algorithms of the Duplicate Reduction Rule to include both a first and second alternate fund selection for each fund selection made by an Index in its Index Construction report to the fund advisor.

M. Golden Rule

An automated algorithmic check automates the process of complying with the US Treasury's diversification rule (Reg M), which mandates that an ETF must hold no more than 50% of its assets in commodities (such as the GLD SPDR Gold Shares ETF). The Index's allocation to such ETFs is algorithmically limited to 40% (to provide margin for differences in the subsequent monthly returns of the selected ETFs). In the event that the additional allocation of an Index's selection would surpass the 40% limit, the best acceptable alternative ETF is automatically substituted as its selection.

III. Index Evaluation and Rebalancing

A. Evaluation and Rebalancing Schedule

All SumGrowth Indexes are normally evaluated following the last trading day of the month. However, the Bull/Bear Indicator may at times change mid-month in response to a significant punctuated event, such as an extraordinary sharp market rebound or a “black swan” excess volatility event, as determined algorithmically. Rebalancing becomes effective at the close of the second subsequent trading day for trades produced by the Index. Each Strategic Category typically produces 4 to 5 trades per year.

B. Target Buffer Weights

To help minimize turnover, buffers of +/- 10% of the target weight may be applied to the target weight of each of the Categories. If the weight of any individual Category deviates by more than the buffer amount from its target weight, the Category will be rebalanced back to its target weight at the next monthly evaluation.

C. Index Turnover (approximate annual, including backtest modeling and since inception)

- SumGrowth EZ-MO Broad Markets Momentum: 770%
- SumGrowth EZ-RO Defensive Sector Rotation: 770%

IV. Index Calculation, Maintenance, and Management

A. Daily Calculation

The SumGrowth Indexes are produced by SumGrowth, Inc. (the Index Provider). The Index Provider will be the final authority on the Index and the interpretation of the Index Methodology.

The total return indexes are calculated for each SumGrowth Index in US dollars. Total return indexes assume reinvestment of cash dividends across the full index at the open on the ex-date. The ETF compositions of the SumGrowth Indexes are available on the SumGrowth Indexes website (www.maiindexes.com).

B. Inception Date

The Indexes have the following inception dates. Index data before the inception dates are based on backtesting (pre-inception performance).

Index Name and Description	Inception Date
SumGrowth EZ-MO Broad Markets Momentum Index	12/25/2024
SumGrowth EZ-RO Defensive Sector Rotation Index	12/25/2024

C. Exceptions to the Methodology Calculation

In the event that the Index Provider determines that a material error has occurred in the calculation of the Index, the Index Provider, will endeavor to correct any such error on a date agreed to by the Index Provider. If a material error is corrected, the Index Provider and/or Index will apply the correction from the relevant date forward.

D. Index Management Committee

1. The Index Management Committee is responsible for the management and implementation of the Methodology's rules, for their continuing fitness for purpose, and therefore for any periodic amendments thereto. It is also responsible for providing a clear process for the management of any situation and for determining the process to be followed.
2. The Index Management Committee is comprised of a committee chairman and a committee compliance officer, both appointed by the CEO of SumGrowth, Inc. The committee chairman is currently Scott Juds and the acting committee compliance officer is Stephen Gower, who together are responsible for determining potential changes to the SumGrowth Indexes Methodology.
3. Members of the Index Management Committee may at any time recommend changes to these Rules (including the Index construction criteria) by submitting any proposed changes for consideration. Meetings will be held quarterly or at any time necessary.
4. Potential changes determined by the Index Management Committee have to be submitted to the independent Index Oversight Committee for approval.
5. Following final approval by the Index Oversight Committee, such changes shall be formally implemented and formally published on [Indexes.SumGrowth.com](https://indexes.sumgrowth.com).
6. The Index Management Committee convenes quarterly, and as additionally may be necessary. Meeting minutes are created and retained pursuant to record retention requirements.

E. History of Changes Made to the AlphaDroid Methodologies

This methodology document is updated when needed to reflect changes approved by the Index Oversight Committee and (as necessary) approved for integration into an associated prospectus by the fund advisor. The history of changes follows:

8/25/2025

Index Ticker Hyphen

- The Index tickers will add a hyphen following EZ to distinguish them from their ETF tickers. Thus they will be EZ-MO and EZ-RO.

1/22/2026

Max GLD Allocation Reduction Reverted

- The 8/25/2025 max gold allocation reduction to 22.5% was reverted to 40% on advice of counsel.

V. Disclosures and Disclaimers

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