

OBJECTIVE

- 2VA ESGN invests in mid- and large- cap US companies that prioritize their duties to shareholders by opposing excess costs and business distractions associated with Stakeholder Capitalism and Environmental Social Governance activism. ⁽¹⁾
- 2VA ESGN companies have a 2ndVote Research rating of neutral on each of its six social issue categories: Basic Freedoms, 2nd Amendment, Life, Environment, Education, and Civil-Safe Society. The neutral rating indicates companies do not advocate for, and remain neutral on polarizing social justice issues that harm brands, business, cash flows and potentially stock prices.
- 2VA ESGN supplements its ESG Neutral foundation with measures of monetary conditions and firm financial metrics to select stocks that are optimally positioned to prosper in the existing economic environment ⁽²⁾.

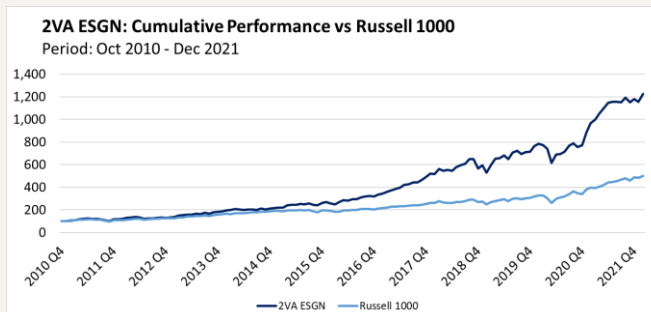
INDEX CHARACTERISTICS

2VA ESGN Index has strong historical returns and risk profile

- ✓ Performance of the Index since October 2010:
 - Average annual alpha (vs Russell 1000) of 9.62%
 - Cumulative return of 1127% vs 402% for Russell 1000
 - Average annual rolling 3-year return of 25.52%, with alpha of 11.54%
 - Rolling 3-year returns beat Russell 1000 100% of time
 - Upside/downside capture ratio of 1.46
- ✓ Creates a dynamic strategy by integrating 2VA social screens with firm financial metrics and monetary/economic conditions

INDEX PERFORMANCE & STATISTICS

	2VA ESGN	Russell 1000	S&P 500
Returns			
2021	27.01%	26.45%	28.71%
2020	23.24%	20.96%	18.40%
2019	47.62%	31.43%	31.49%
2018	3.12%	-4.78%	-4.38%
2017	49.65%	21.69%	21.83%
2016	32.75%	12.05%	11.96%
2015	18.13%	0.92%	1.38%
2014	12.49%	13.24%	13.69%
2013	41.00%	33.11%	32.39%
2012	15.15%	16.42%	16.00%
2011	13.29%	1.50%	2.11%
Annualized Returns ⁽³⁾			
Three Year	32.20%	26.21%	26.07%
Five Year	28.95%	17.49%	18.47%
Risk Statistics			
Beta	1.09	1.00	0.98
Standard Deviation	16.98%	13.64%	13.34%
Sharpe Ratio	1.45	1.10	1.13
Sortino Ratio	2.84	2.01	2.08
Upside/Downside Ratio	1.46	1.00	1.01



INDEX APPROACH



Starting Universe & Stock Scoring

- Start with Large & Mid Cap stocks listed on NYSE and Nasdaq with 3+ years of financial data
- Screen out firms that do not have a neutral rating i.e., firms must have a 2ndVote score of "3" (on a 5-point scale) in each of the six social issue categories
- *Top down:* Monetary conditions are classified as expansive, restrictive or indeterminate
- *Bottom up:* 12 firm-specific metrics are used to score each stock based on its ability to benefit from prevailing monetary conditions creating a "financial position score"



Composition & Weighting

- Stocks with a 2V score of "3" (neutral rating) in each of the six social issue categories are eligible for the portfolio
- The 50 stocks with the best financial position score under existing monetary conditions are selected
- Each stock is weighted based on its ability to prosper under prevailing monetary/economic conditions



Index Portfolio & Rebalance

- 2VA ESGN consists of 50 ESG Neutral stocks that are selected and weighted for optimal performance under current conditions
- The index is rebalanced under three scenarios:
 - 1) the 2VA scores in the six social issues are updated
 - 2) the monetary environment changes
 - 3) firm financial metrics are updated

¹ Costly programs seeking benefits such as "good for the environment" or "good for society" are considered ESG investments. These program costs are approved by virtue signaling managers and are not voted on or disclosed to shareholders. ESG investments in social justice engineering causes go beyond traditional charity, thus impacting cash flows, brand values and ultimately share prices. These programs generally do not align with a neutral, libertarian or conservative ESG philosophy.

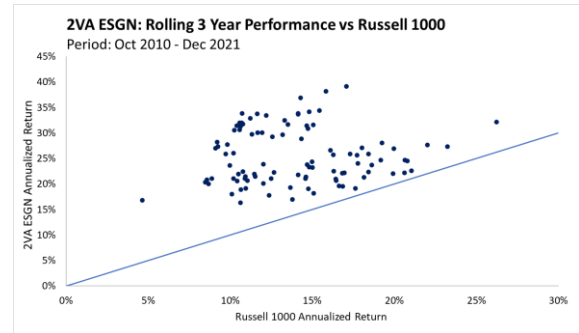
² The firm financial metrics and economic conditions measure are incorporated via a licensing agreement with Economic Index Associates (EIA).

³ Annualized returns as of December 31, 2021. For returns with periods longer than 1 year, annualized monthly returns are used.

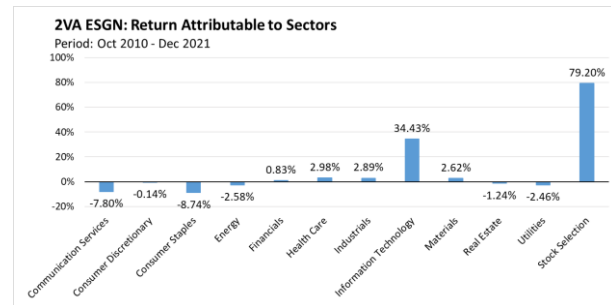
**HYPOTHETICAL
HISTORICAL
PERFORMANCE**

Table: Rolling Annualized Return

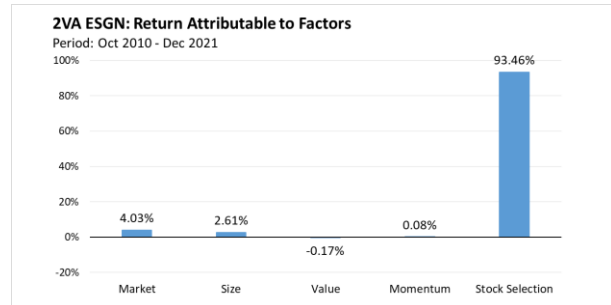
	One Year		Three Years		Five Years	
	2VA ESGN	Russell 1000	2VA ESGN	Russell 1000	2VA ESGN	Russell 1000
Average	26.38%	15.50%	25.52%	13.98%	26.28%	13.33%
Median	23.24%	14.97%	24.39%	13.80%	27.27%	13.51%
Max	79.12%	60.59%	39.18%	26.21%	32.42%	19.16%
Min	-6.17%	-8.03%	16.35%	4.64%	17.79%	6.22%



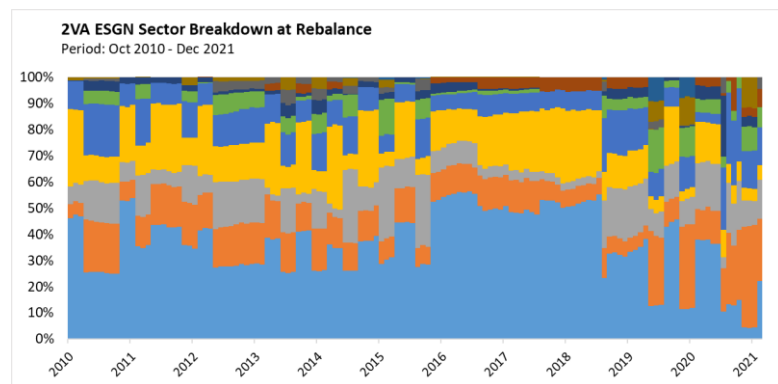
**RETURN
ATTRIBUTION**



- ✓ 2VA ESGN produces alpha by targeting ESG Neutral firms that are optimally positioned to prevailing monetary conditions; the index does not maintain any sector bias
- Sector attribution analysis confirms that the majority (79.20%) of alpha is attributable to stock selection
- Biggest contributors: Information Technology, Health Care and Industrials; 2VA ESGN has been particularly successful in over- or under-weighting ESG Neutral firms in these three sectors



- ✓ Four-factor attribution analysis establishes that 2VA ESGN’s alpha is due to stock selection; not factor exposures
- Stocks are selected and weighted based on a screening process that incorporates 2VA scores, 12 firm-specific metrics and economic conditions; thus, factor exposures are trivial, incidental and deviate over time
- During the 11 years, 93.46% of alpha for 2VA ESGN comes from stock selection; i.e., incidental factor exposures were detrimental to performance



<u>Sector</u>	<u>Average Weight</u>
Real Estate	0.42%
Utilities	1.27%
Energy	1.11%
Communication Services	1.83%
Consumer Staples	2.24%
Materials	3.85%
Consumer Discretionary	11.09%
Health Care	16.68%
Industrials	11.45%
Financials	13.54%
Information Technology	36.77%

Disclaimer:

This document is provided for information purposes only and is intended for use by institutional and professional investors. The information presented herein prior to the index launch date of July 8, 2021, is backtested performance based on the same methodology in effect when the index was officially launched. For periods prior to the launch date, the information and data presented regarding the index assumes that the same evaluation of companies existed in all prior periods as it did on the index launch date and, among other things, does not take into account the business, market or financial conditions that existed during the prior periods as they would have applied to the specific companies used for this purpose. Backtested performance information is purely hypothetical, is provided solely for information purposes and should not be interpreted as an indication of actual performance. 2VA receives compensation in connection with licensing its indexes to clients and for providing custom advisory services. The performance results presented do not reflect the deduction of 2VA’s management fees or other customary expenses that may be incurred in the management of a client’s account. The performance results are not GIPS compliant. Past performance is not an indication or guarantee of future results. 2VA makes no representation or warranty, express or implied as to the ability of the index to accurately represent any asset class or market sector that it purports to represent. This document does not constitute an offer of any services or product. All information provided by 2VA is general in nature and not tailored to the needs of any person, entity or third-party. It is not possible to invest directly in an index. 2VA is an investment adviser registered with the Securities and Exchange Commission. Registration does not indicate any level of skill or training. For more information on any of our services please visit www.2ndvotefunds.com. This document is confidential. Redistribution or reproduction in whole or in part of this document is prohibited.