

### OBJECTIVE

- 2VA LIF invests in mid and large cap US companies that prioritize their duties to shareholders by avoiding the excessive costs associated with ESG investments<sup>(1)</sup>.
- 2VA LIF targets companies that do not support pro-choice causes or organizations. Over 90% of 2VA LIF's index components rate Neutral on 2VA's Life criterion, with the remainder rating Positive.
- 2VA LIF supplements its ESG Neutral foundation with measures of monetary conditions and firm financial metrics to select stocks that are ESG Neutral and optimally positioned to prosper in the existing economic environment <sup>(2)</sup>.

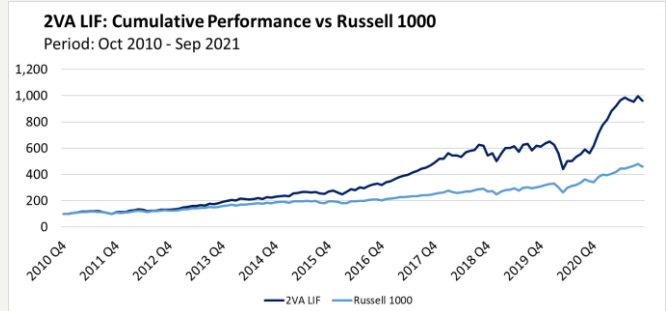
### INDEX CHARACTERISTICS

2VA LIF Index has strong historical returns and risk profile

- ✓ Performance of the Index since October 2010:
  - Average annual alpha (vs Russell 1000) of 7.01%
  - Cumulative return of 859% vs 357% for Russell 1000
  - Average annual rolling 3-year return of 22.82%, with alpha of 9.12%
  - Rolling 5-year returns beat Russell 1000 100% of time
  - Upside/downside capture ratio of 1.31
- ✓ Creates a dynamic strategy by integrating 2VA social screens with firm financial metrics and monetary/economic conditions

### INDEX PERFORMANCE & STATISTICS

	2VA LIF	Russell 1000	S&P 500
<b>Returns</b>			
2021 YTD	23.81%	15.19%	15.92%
2020	19.22%	20.96%	18.40%
2019	29.42%	31.43%	31.49%
2018	-3.46%	-4.78%	-4.38%
2017	48.64%	21.69%	21.83%
2016	33.97%	12.05%	11.96%
2015	9.68%	0.92%	1.38%
2014	16.34%	13.24%	13.69%
2013	47.97%	33.11%	32.39%
2012	20.98%	16.42%	16.00%
2011	8.70%	1.50%	2.11%
<b>Annualized Returns</b>			
Three Year	15.68%	16.43%	15.99%
Five Year	23.88%	17.11%	16.90%
<b>Risk Statistics</b>			
Beta	1.19	1.00	0.98
Standard Deviation	18.53%	13.63%	13.33%
Sharpe Ratio	1.21	1.06	1.08
Sortino Ratio	2.18	1.91	1.96
Upside/Downside Ratio	1.31	1.00	1.00



### 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 supporting pro-choice policies i.e., 2VA Life scores less than 3 (on a 5-point scale)
- *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

- Each stock with a 2VA Life score of 3 or higher is ranked by its alignment with current monetary conditions
- The 75 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 LIF consists of 75 Life-aligned stocks that are selected and weighted for optimal performance under current conditions
- The index is rebalanced under three scenarios:
  - 1) the 2VA Life scores are updated
  - 2) the monetary environment changes
  - 3) firm financial metrics are updated.

<sup>1</sup> 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.

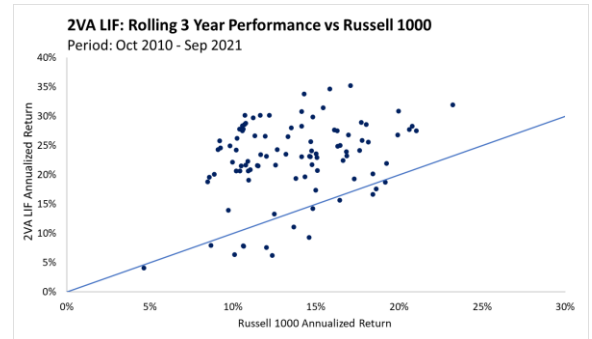
<sup>2</sup> The firm financial metrics and economic conditions measure are incorporated via a licensing agreement with Economic Index Associates (EIA).

<sup>3</sup> Annualized returns as of September 30, 2021. For returns with periods longer than 1 year, annualized monthly returns are used.

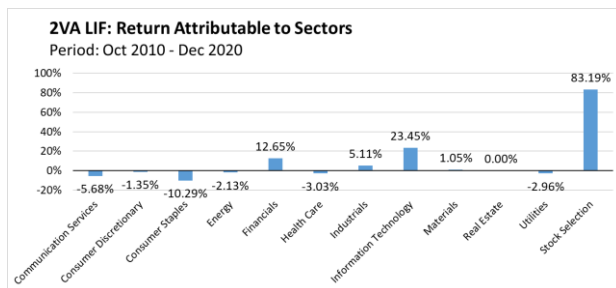
**HYPOTHETICAL HISTORICAL PERFORMANCE**

**Rolling Annualized Return**

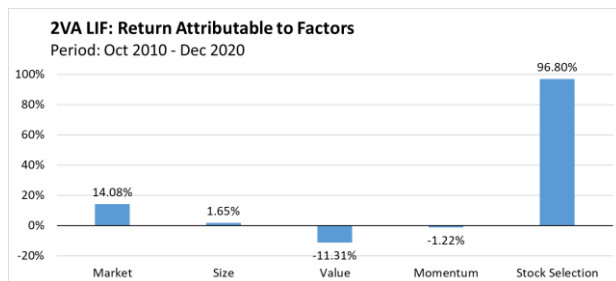
	One Year		Three Years		Five Years	
	2VA LIF	Russell 1000	2VA LIF	Russell 1000	2VA LIF	Russell 1000
Average	24.86%	15.09%	22.82%	13.70%	23.51%	13.12%
Median	20.25%	14.91%	23.57%	13.59%	23.94%	13.31%
Max	109.47%	60.59%	35.24%	23.23%	31.28%	18.24%
Min	-26.75%	-8.03%	4.08%	4.64%	11.10%	6.22%



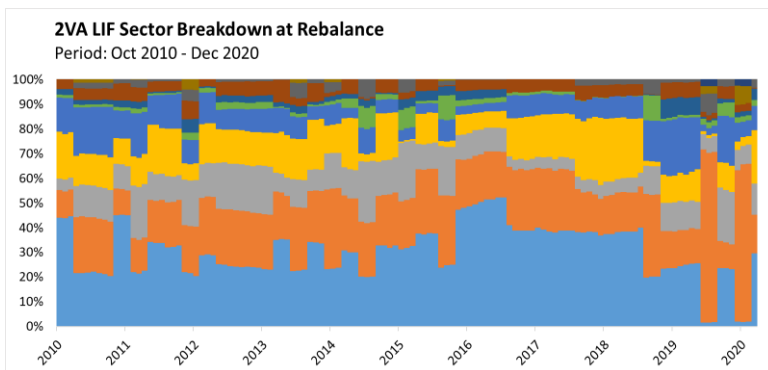
**RETURN ATTRIBUTION**



- ✓ 2VA LIF produces alpha by targeting Life-aligned firms that are optimally positioned to prevailing monetary conditions; the index does not maintain any sector bias
  - Sector attribution analysis confirms that the majority (83.19%) of alpha is attributable to stock selection
  - Biggest contributors: Information Technology, Financials and Industrials; 2VA LIF has been particularly successful in over- or under-weighting Life-aligned firms in these three sectors



- ✓ Four-factor attribution analysis establishes that 2VA LIF's alpha is due to stock selection; not factor exposures
  - Stocks are selected and weighted based on a screening process that incorporates 2VA Life scores, 12 firm-specific metrics and economic conditions; thus, factor exposures are trivial, incidental and deviate over time
  - During the 10 years, 96.80% of alpha for 2VA LIF comes from stock selection; i.e., incidental factor exposures contributed almost nothing to performance



<u>Sector</u>	<u>Average Weight</u>
Real Estate	0.13%
Utilities	0.50%
Energy	1.81%
Communication Services	4.59%
Consumer Staples	2.16%
Materials	2.34%
Consumer Discretionary	10.19%
Health Care	13.45%
Industrials	11.80%
Financials	22.65%
Information Technology	30.37%

**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 June 17, 2021, is based on the same methodology in effect when the index was officially launched. For prior periods, 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 current business, market or financial conditions. 2VA receives compensation in connection with licensing its indices 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](http://www.2ndvotefunds.com). This document is confidential. Redistribution or reproduction in whole or in part of this document is prohibited.