MarketGrader 100 Index

MarketGrader RESEARCH & INDEXES

The MarketGrader 100 Index seeks to track the performance of the most fundamentally sound companies with the best growth prospects in the U.S. The objective of MarketGrader 100 is to provide a benchmark to investors seeking long-term capital appreciation through diversified exposure to U.S. equities. The Index uses fundamental analysis and a growth at a reasonable price (GARP) methodology to select the top 100 constituents in the U.S. equity universe after filtering for liquidity and diversification over size and sectors.

Index Rules

Underlying Universe
MarketGrader North American coverage universe of approximately 6,000 companies, excluding Canada, listed on U.S. exchanges.

Objective
Designed to serve as the basis of investment funds providing access to investors to some of the most promising stocks in the U.S.

Weighting
The index is equally weighted.

Rebalance Frequency
Semi-annually on the third Friday of February and August.

Selection Criteria
Stocks are selected based on their overall MarketGrader fundamental score on a scale of one hundred (100). Score is calculated based on 24 fundamental factors across Growth, Value, Profitability and Cash Flow.

Market Cap Requirements
All selections must have a minimum total market cap of USD $100 million. At least 25 of all index constituents must have a total market cap of at least USD $10 billion. No more than 25 of all index constituents may have a total market cap below $1 billion.

Liquidity Requirements
All selections must have a minimum three month average daily traded dollar volume of $2 million.

Sector Limits
No more than 25 index constituents may belong to the same economic sector while no more than 12 may belong to the same sub-industry. REITs and Utilities are altogether ineligible for selection to the index.

Ticker
MGONE

Index Calculation
New York Stock Exchange

Licensing opportunities
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Performance

Cumulative Price Return, Sep. 2002 - Jun. 2022

All data as of June 30, 2022

Legend: ■ MG 100 Index ■ Russell 3000 ■ S&P 500 Index

Calendar Year Returns

	MG100	R3000	S&P500
2022*	-21.5	-21.7	-20.6
2021	25.7	19.4	21.6
2020	5.9	18.8	16.3
2019	25.1	28.5	28.9
2018	-14.3	-7.0	-6.2
2017	26.6	18.9	19.4
2016	8.3	10.4	9.5
2015	-6.5	-1.5	-0.7
2014	8.5	10.5	11.4
2013	41.6	31.0	29.6
2012	16.6	14.0	13.4
2011	-0.6	-0.9	0.0
2010	19.2	14.8	12.8
2009	40.9	25.5	23.5
2008	-45.5	-38.7	-38.5
2007	14.0	3.3	3.5
2006	6.2	13.7	13.6
2005	18.5	4.3	3.0
2004	20.6	10.1	9.0

All values in USD. *YTD Values as of 06/30/22.
Sources: FactSet, MarketGrader.com

Annualized Returns

	MG100	R3000	S&P500
3-Years	3.3	8.1	8.8
5-Years	5.1	8.7	9.3
Since 12/'02	9.4	7.5	7.3

Cumulative Returns

	MG100	R3000	S&P500
3-Years	10.0	26.1	28.7
5-Years	28.0	52.0	56.2
Since 12/'02	491.0	322.6	307.6

Standard Deviation

	MG100	R3000	S&P500
3-Years	19.2	19.1	18.4
5-Years	18.5	17.2	16.7
Since 12/'02	18.6	15.1	14.7

Sharpe Ratio

	MG100	R3000	S&P500
3-Years	0.17	0.42	0.48
5-Years	0.27	0.51	0.56
Since 12/'02	0.50	0.50	0.50

Frequency: Monthly.
Sources: FactSet, MarketGrader.com

MarketGrader 100 Index

Index composition data as of June 30, 2022

MarketGrader RESEARCH & INDEXES

Index Bio

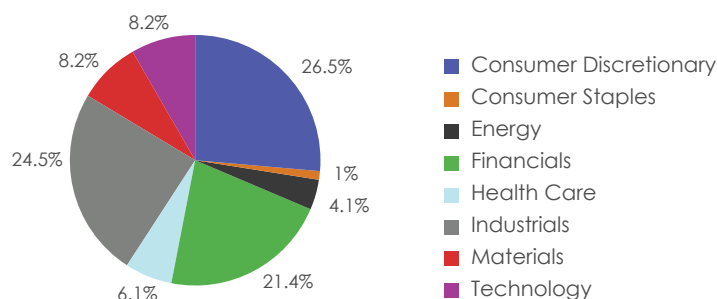|	
Average Market Cap (millions of USD)	$54,116
Median Market Cap (millions of USD)	$6,315
Average 3 Mo. Dollar Volume	$260,096,434
Average 3 Mo. Trading Volume	1,988,749
Last Rebalance Date	2/22/22
Companies Replaced	86
Biggest Sector Increase	Materials
Biggest Sector Decrease	Technology
Companies Overlapping S&P 500	36

Fundamental Attributes

	Median
Trailing P/E Ratio	12.8
Forward P/E Ratio	12.5
Earnings Yield	6.5%
Price/Book Ratio	2.9
Revenue Change - 3 Years	25.3%
Operating Income Change - 3 Years	60.1%
Operating Margin	16.7%
Earnings per Share (EPS) 3-Year Growth	18.5%
Long-Term Debt to Capital	36.0%
Return on Equity	27.0%
Dividend Yield	1.30%
Beta	0.95

Median and Average Grades

	Median	Average
MarketGrader 100 Index	65.9	67.9
S&P 500	55.7	55.7
Dow Jones Industrial Average	60.6	57.5
NASDAQ Composite	58.8	56.4
Russell 3000	49.1	47.5

Sector Breakdown

- Consumer Discretionary — 26.5%
- Consumer Staples — 1%
- Energy — 4.1%
- Financials — 21.4%
- Health Care — 6.1%
- Industrials — 24.5%
- Materials — 8.2%
- Technology — 8.2%

Market Cap Breakdown

- Mega (> $10B) — 40.8%
- Large ($3B to $10B) — 34.7%
- Mid ($1B to $3B) — 14.3%
- Small ($500M to $1B) — 7.1%
- Micro (< $500M) — 3.1%
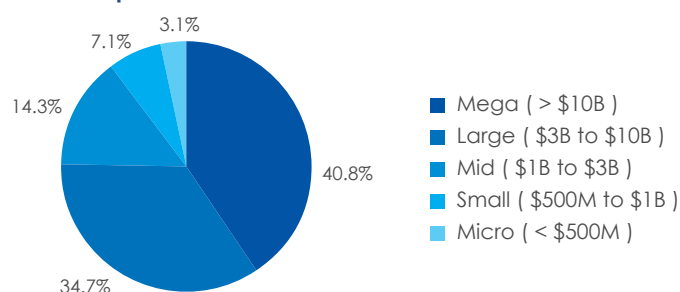
Top 20 Stocks by Fundamentals

Ticker	Name	Grade
MBUU	Malibu Boats, Inc. Class A	● 89.0
FANG	Diamondback Energy, Inc.	● 86.5
MTDR	Matador Resources Company	● 86.2
STLD	Steel Dynamics, Inc.	● 85.9
NUE	Nucor Corporation	● 85.1
RS	Reliance Steel & Aluminum Co.	● 84.9
BBW	BuildABear Workshop, Inc.	● 84.4
ODFL	Old Dominion Freight Line, Inc.	● 81.7
LSTR	Landstar System, Inc.	● 81.5
OXM	Oxford Industries, Inc.	● 80.3
SSD	Simpson Manufacturing Co., Inc.	● 79.9
AMN	AMN Healthcare Services, Inc.	● 79.6
MCRI	Monarch Casino & Resort, Inc.	● 77.8
RHI	Robert Half International Inc.	● 77.5
MGPI	MGP Ingredients, Inc.	● 77.5
MSFT	Microsoft Corporation	● 77.5
SBNY	Signature Bank	● 77.4
RGP	Resources Connection, Inc.	● 77.3
GOOG	Alphabet Inc. Class C	● 76.7
KNX	Knight-Swift Transportation Hold-	● 76.6

Most Selections Since Inception

Ticker	Name	Times
NKE	NIKE, Inc. Class B	24
PII	Polaris Inc.	18
MSFT	Microsoft Corporation	17
HD	Home Depot, Inc.	12
TJX	TJX Companies Inc	12
GOOG	Alphabet Inc. Class C	11
ODFL	Old Dominion Freight Line, Inc.	9
CSCO	Cisco Systems, Inc.	9
NUE	Nucor Corporation	8
HAL	Halliburton Company	8
IPGP	IPG Photonics Corporation	8
LSTR	Landstar System, Inc.	7
ZTS	Zoetis, Inc. Class A	7
WAT	Waters Corporation	6
CHK	Chesapeake Energy Corporation	6
FNF	Fidelity National Financial, Inc. - FNF	6
CHE	Chemed Corporation	5
MAT	Mattel, Inc.	5
TPX	Tempur Sealy International Inc	5
RHI	Robert Half International Inc.	5