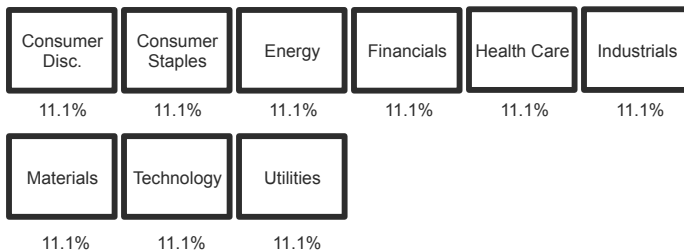


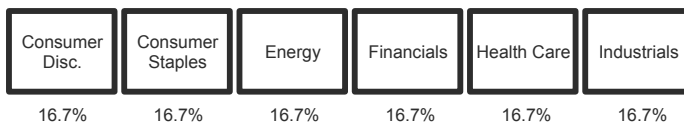
## Newfound Research Risk Managed Small Cap Sectors Investment Process

### ALL 9 SECTORS “ON”



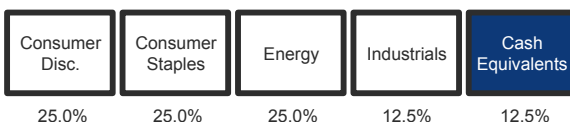
When all sectors are exhibiting positive momentum characteristics, capital in the portfolio is divided equally among the sectors providing broad diversification.

### 6 OF 9 SECTORS “ON”



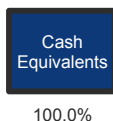
When sectors are deemed to be at a high risk of loss, the sector is removed, and the portfolio weight is redistributed to the sectors with “on” signals.

### 3 OF 9 SECTORS “ON” 1 OF 9 SECTORS “NEUTRAL”



Positive momentum sector weights are capped at 25%; neutral momentum sectors are capped at 12.5%. When all sectors are capped out, a position is taken in cash equivalents.

### ALL SECTORS “OFF”



In extreme bearish scenarios, the portfolio will be fully invested in cash equivalents if all sector signals are “off”.

Source: Newfound Research LLC