

Merlyn.AI's StormGuard™ Market Risk Indicator Suggests the Onset of Bear Market Conditions, MAI Indexes Rotated to Bear Market Strategies on February 2, 2022

NEWS PROVIDED BY
Merlyn.AI Corporation
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PALO ALTO, CA – All Merlyn.AI MAI indexes, which are fully automated, incorporate the StormGuard™ market risk indicator. The StormGuard™ indicator analyzes multiple market metrics to assess anticipated market conditions as either bull or bear. As part of the monthly rebalance, Merlyn.AI software using StormGuard™ determines whether market conditions over the next month are anticipated to be sufficiently risky that the bear market strategies should be employed by the indexes.

On the rebalance that took place on February 2, 2022, Merlyn.AI software using the StormGuard™ indicator determined that market conditions have sufficient risk to cause the MAI indexes to rotate to bear market strategies.

What can cause StormGuard™ to trigger?

StormGuard™ assesses multiple factors derived from three key indicators: **Price-trend, Market momentum, and Value sentiment**. Contrary short-term patterns are additionally assessed to determine whether a particularly sharp rebound followed a recent market decline. These factors and patterns are logically combined to determine whether bull or bear market conditions are predicted.

Price-trend indicates the degree to which US market securities prices are trending higher or lower.

Market momentum is a volume-adjusted, price-trend of US equity market securities that aims to assess investor conviction. This indicator is similar to the price-trend indicator but further incorporates daily volume information. We believe that the momentum indicator may signal that momentum traders are changing their behavior.

Value sentiment analyzes the recent US equity market securities making 52-week highs against those making 52-week lows. We believe the value sentiment may indicate the behavior change of value traders who are concerned about the price of a stock relative to its 52-week highs and lows. When the percent of new highs declines relative to new lows it may be an indication that value sentiment traders have paused in favor of seeking safety.

StormGuard™ has triggered...Now what happens?

When StormGuard™ triggers, MAI indexes rotate to bear market strategies. MAI indexes will remain in bear mode until StormGuard™ determines that market risk has declined at month-end or detects the presence of a sufficient rebound at any time during the month. Thus the switch back to bull strategies can happen at any time, not just at month-end.

Bear Market Strategies

The MAI indexes use bear market strategies that aim to mitigate risk and even seek potential profit. Bear market holdings are selected using trend analysis that uses the same principles of signal processing and AI that are used to select bull market holdings. Bear strategies generally select ETFs from the following categories:

- medium- and long-term treasury
- aggregate bond
- long-term bond
- corporate bond
- high-yield bond
- gold
- broad-based U.S. equity market

A broad-based U.S equity market ETF may be selected as a bear holding when short-term rebound conditions are switching from bear to bull and longer-term trends among sectors or factors are not yet showing momentum leaders.

As of February 2, 2022 the ETFs comprising each of MAI indexes are as follows:

MAI Bull-Rider Bear-Fighter Index		MAI Tactical Growth and Income Index		MAI SectorSurfer Momentum Index		MAI Best-of-Breed Core Index	
Selection	% of Index	Selection	% of Index	Selection	% of Index	Selection	% of Index
TLT	10%	TLT	20%	SHY	20%	GLD	35%
GLD	10%	GLD	20%	GLD	20%	SHY	30%
SHY	10%	VGLT	15%	IAU	15%	BSV	35%
BSV	10%	IAU	15%	SGOL	15%		
ICSH	10%	SGOL	5%	BSV	15%		
IAU	15%	GLDM	5%	ICSH	15%		
SGOL	20%	SHY	5%				
GLDM	15%	BSV	15%				

To learn more visit MerlynETFs.com.

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Disclosures:

The BOB, DUDE, SNUG, and WIZ ETFs (the “Funds”) seek to track the MAI Indexes.

Before investing one should carefully consider the Fund’s investment objectives, risks, charges, and expenses. *This and other information can be found in the fund’s summary or full prospectus, which may be obtained by visiting www.Merlynets.com. Please read the prospectus carefully before investing.*

An investment in the Fund is subject to investment risk, including the possible loss of principal. DUDE and BOB ETFs shares may be bought and sold on the Cboe exchange through a brokerage account. WIZ and SNUG ETFs shares may be bought and sold on the Nasdaq exchange through a brokerage account. Brokerage commissions and ETF expenses will reduce investment returns. There can be no assurance that an active trading market for ETF shares will be developed or maintained. There is no guarantee the ETFs strategies will be successful. Because they invest primarily in other ETFs, the Fund’s investment performance largely depends on the investment performance of those underlying ETFs. An investor will indirectly bear the principal risks and its share of the fees and expenses of the underlying ETFs. The risks associated with these ETFs are detailed in the prospectus and could include factors such as concentration risk, foreign and emerging markets risk, equity market risk, momentum investing risk, value investing risk, fixed income risk, gold risk, high portfolio turnover risk, and bull index bond risks. Maintaining investments regardless of market conditions or the performance of an individual investment could cause the Funds’ returns to be lower than if the Fund employed an active strategy. The performance of the Funds and their Indexes may differ due to tracking error. The Indexes use a form of (AI) artificial intelligence. Investments utilizing quantitative methods may perform differently than the market as a whole. Momentum investing can turn quickly and cause significant variation from other types of investments. There may be periods when the momentum style is out of favor, and during which the investment performance of a Fund using a momentum strategy may suffer. The Funds are non-diversified and may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the Funds’ Shares and greater risk of loss. There is no guarantee the Funds’ objectives will be met.

The Indexes are based on a proprietary methodology developed by SumGrowth Strategies, LLC, and licensed to Merlyn.AI Corporation, the Funds' sponsor, and sublicensed to Empowered Funds, LLC, the Funds' investment advisor. The Funds are distributed by *Quasar Distributors* LLC.

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