

WI Fidelis Index Overview



WI FIDELIS INDEX
Multi-cap Multi-factor

FAITH-BASED EQUITY BENCHMARK

WallickInvestments.com ■ WIFidelisIndex.com ■ 803.699.9400

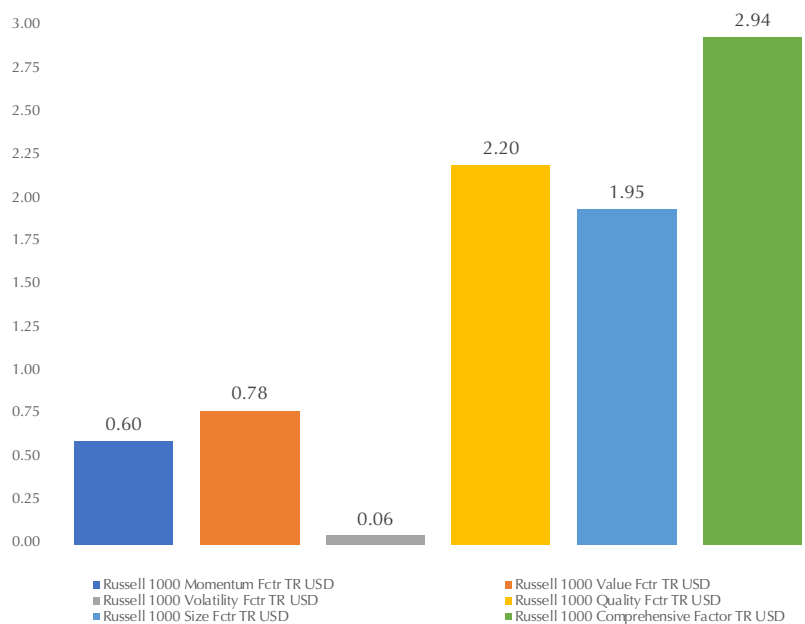


What is factor-based investing?

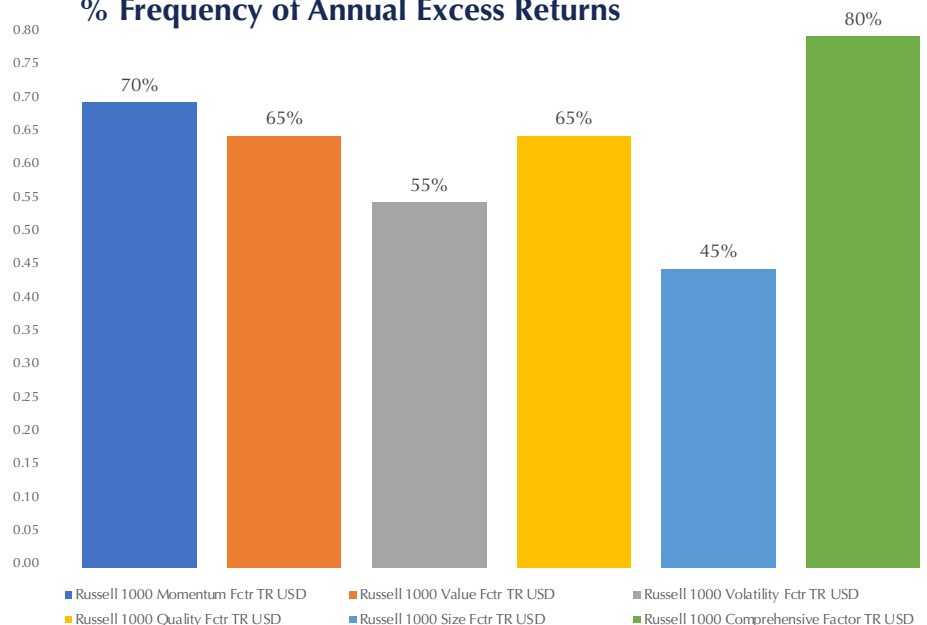
Factor-based investing is a quantitative, disciplined process for selecting stocks for inclusion in a portfolio based on pre-defined factors or characteristics that have shown evidence of adding excess risk-adjusted return.

2002 to 2016 return data based on FTSE Russell Methodology document. 2017 to 2021 return data based on Morningstar FTSE Russell indices. Information is believed to be reliable but is not guaranteed.

Russell 1000 Factor Excess Returns 2002 to 2021



% Frequency of Annual Excess Returns



Why factor-based investing?

1. Potential excess returns

Close to 3% average annualized excess return over market-cap weighted indices from 2002–2021 (see chart left, p.1).

2. Potential improved consistency

Outperformance near 80% of calendar years 2002–2021 (see chart left, p.1).

3. Research lauding the benefits of multi-factor based investments

Links to several articles from firms such as Research Affiliates, BNP Paribas, S&P Dow Jones, JP Morgan, Robecco Asset Management and Blackrock are available at WIFidelisIndex.com/research. Also, James O’Shaughnessey’s 1996 book “What Works on Wall Street” provided early foundational exposure to factor-based investing.

4. Rise in popularity

We have identified 6 peer indices with what we consider a similar material allocation to small- and mid-cap companies.

- Hartford Multi-factor US Equity Index
- Russell 1000 Comprehensive Factor Index
- JPMorgan Diversified Return US Eq Index
- Morningstar US Market Factors Tilt Index
- MSCI Multifactor USA Index
- Wisdom Tree US Multifactor Index

5. Rise in assets under management in factor-based products

According to ETFGI’s Insights, assets in factor-based ETFs had risen to \$1.24 trillion in 2021 and have grown at an average compounded growth rate of over 30% over the previous 5 years. According to Statista, of the over 350 institutions and advisors surveyed, 64% said they had more than 10% of their assets in factor-based ETFs— up from 51% in 2020.

6. Wallick Investments’ experience

Our Fidelis separate account composite has consistently ranked highly against peers in the Morningstar separate account database, receiving a 4 or 5 Star Morningstar Overall Rating 80% of reported periods and never less than 3 Stars. For details, visit our website: WallickInvestments.com/morningstar

Please note: *Although the factors and weightings are similar, there is not a one-to-one correlation between our separate account composite and our Index. Investors cannot be guaranteed the same performance.*



Index Management

The Fidelis Index Selection Process:

Universe of stocks
(~9,100)

Narrowed universe
(~800)

- Inspire Impact Scores 0 or higher
- \$250+ million market cap
- not bottom 20% V, G or M
- top 60% combined VGM

Factor Inputs

- Momentum
- Quality
- Value

Fidelis Scores

Fidelis' 100 holdings

We start with the universe of securities listed on major US stock exchanges, approximately 9,100 but then we narrow the list to those that:

- have a positive Inspire Social Impact Score (faith-based screening: [Inspireinvesting.com/inside-the-inspire-impact-score](https://www.inspireinvesting.com/inside-the-inspire-impact-score))
- are not limited partnerships or state-owned
- have a market cap of +250M or more
- are not in the bottom 20% for Value, Growth or Momentum (VGM), and
- are in the top 60% for expected earnings surprise and for combined VGM

This leaves about 800 stocks.

From here, percentile scores for each stock are calculated for each sub-factor listed on the Factor Input Table. The final Fidelis Score is the aggregate sum of each factor percentile score multiplied by its predetermined weight listed on the Input Table.

Factor Input Table

Momentum 33% (including EPS Strength)		Quality 34% (including Profitability, Financial Health and Growth)		Value 33% (including Volatility and Dividend Yield)	
12-Month Relative Strength (15%)	Current Year Revision Trend last 4 weeks (3%)	Inspire Social Impact Score (5%)	Current Ratio (2%)	Current Dividend Yield (8%)	Price to Book Value divided by Estimated 3-5 year Growth Rate (3%)
3-Month Relative Strength (6%)	Current Year Revision Trend last 12 weeks (2%)	Enterprise Value / EBITDA (3%)	Quick Ratio (2%)	Average Consensus Value vs. Price (5%)	Price to Cash Flow divided by Estimated 3-5 year Growth Rate (3%)
Latest Quarter Earnings Surprise (3%)	Expected Earnings Surprise (1%)	Return on Invested Capital (ROIC) (3%)	Sales Growth Year over Year (2%)	Price to Sales divided by Estimated 3-5 year Growth Rate (5%)	5 Year Beta (3%)
Last Quarter Earnings Surprise (3%)		Free Cash Flow / Market Cap % (3%)	Earnings Per Share (EPS) Growth Year over Year (2%)	Price to Earnings divided by Estimated 3-5 year Growth Rate (3%)	2 Year Beta (3%)
		Return on Assets (ROA) (2%)	Net Income Growth 1 year (1%)		
		Return on Equity (ROE) (2%)	Sales Growth 1 year (1%)		
		Profit margin (2%)	EPS Growth last 5 years (1%)		
		Debt to Equity (D/E) (2%)	P/B Growth last 5 years (1%)		

Key

- > .05
- = .05
- = .03
- = .02
- = .01

From the stocks within the top 20% for market capitalization, 40 stocks with the highest Fidelis Scores are chosen, subject to sector and industry constraints. Please see our Sector and Industry Diversification chart below. Finally, the next 60 stocks, regardless of market cap, with the highest Fidelis Score subject to the industry and sector constraints are then added to complete the list of constituent stocks. **The WI Fidelis Index is rebalanced and reconstituted quarterly, which means the holdings are reset every quarter to what we believe is the best combination of 100 faith-based multi-factor securities.**

Sector	# of Stocks	Minimum # of Industries
Basic materials	4	2
Business services	4	2
Technology and communications	27	7
Consumer discretionary (including autos and transportation)	6	3
Consumer staples	4	2
Energy	8	3
Financial (including real estate)	16	6
Medical	12	4
Industrial (including aerospace, conglomerates and construction)	11	6
Retail	5	3
Utilities	3	2
11-18 Sectors	100 Stocks	40 or more Industries

For detailed information on our investment methodology, see our methodology guidelines at Solactive.com.

Why would the WI Fidelis Index be used to benchmark performance instead of one of its peers?

Fidelis integrates the Inspire Social Impact Score and has more comprehensive multi-dimensional diversification including: 31 sub-factors, 11–18 sectors, over 40 industries, minimum and maximum allocation to large-cap, and maximum allowed allocation to international.

This added multi-dimensional diversification should provide more consistent results and, as long as each sub-factor has academic support for potential excess risk-adjusted return, there should not be concerns related to overdiversification.

Peer Comparisons

Index / Product Provider	# Value factors	#Quality factors	#Momentum factors
Hartford Multi-factor US Equity Index / Hartford	5	1	2
Russell 1000 Comprehensive Factor Index / DB Xtrackers	3	6	1
JPMorgan Diversified Return US Eq Index / JPM	4	10	1
Morningstar US Mkt Factors Tilt Index / Northern Trust FlexShares	5	0	0
MSCI Multifactor USA Index / Blackrock iShares Edge	5	7	3
Wisdom Tree US Multifactor Index / Wisdom Tree	8	8	2
Average of 6 Select Multi-factor Indexes	5	5	2
Range of 6 Select Multi-factor Indexes	2-8	0-10	0-3
WI Fidelis Multi-Cap Multi-Factor Index	8	16	7

Data obtained from online investment methodology documents provided by the index provider or product sponsor. It is believed to be reliable, but reliability cannot be guaranteed. The weightings for each component of Value, Quality and Momentum for the WI Fidelis Index are available through our methodology document at <https://www.solactive.com/indices/?index=DE000SLOFE03#documents>

In conclusion, the WI Fidelis Multi-Cap Multi-Factor Index is like a SmartBeta or Enhanced Index designed specifically for investors that appreciate faith and/or investment science. We envision the WI Fidelis Index becoming the standard for benchmarking diversified faith-based and factor-based equity portfolios.

WI Fidelis Index Inspires ETF*

NYSE: FDLS

On August 23, 2022 Inspire Investing launched the Inspire Fidelis Multi-Factor ETF with a mandate of replicating the WI Fidelis Multi-Cap Multi-Factor Index.
NYSE ticker: FDLS

For prospectus, please visit:
[Inspireetf.com/fdls](https://inspireetf.com/fdls)
Read carefully before investing.

For WI Fidelis Multi-Cap Multi-Factor Index performance,
please visit:
[Solactive.com](https://solactive.com)

Wallick Investments, LLC receives a licensing fee associated with assets invested in FDLS ETF.

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Faith-based investing made easy

Inspire Fidelis Multi-factor ETF*

NYSE: FDLS

**Free faith-based investment screening
available at Inspireinsight.com**

*Visit InspireInvesting.com
for FDLS prospectus.
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