

VERUS COMPREHENSIVE MODEL

The Verus Comprehensive Model is based on a combination of four Verus Analytics equity rating models. The model dynamically re-weights each of the sub-models on a monthly basis to capture the strongest sources of return over medium-term timeframes.

Methodology

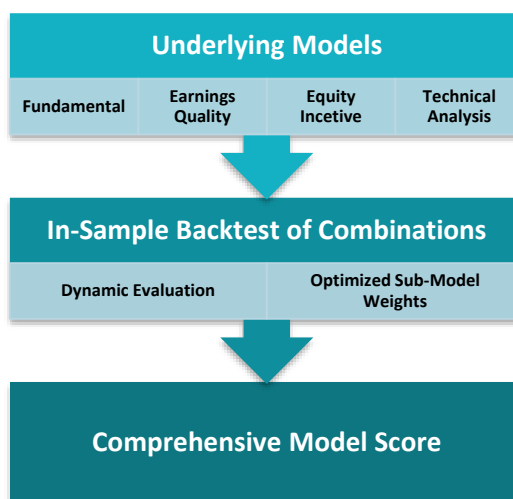
The Verus Comprehensive Model is a multi-factor equity rating system derived from four core institutional-grade models: **Fundamental**, **Earnings Quality**, **Equity Incentive**, and **Technical Analysis**. The underlying model scores are combined using optimized weights determined by an in-sample backtest and reevaluated monthly. The result is a rating that provides an objective and comprehensive viewpoint which is also reliably predictive of future returns.

The Fundamental Model includes various valuation ratios and assessments of earnings, including momentum, surprises and exclusions.

The Earnings Quality Model includes quantitative assessments of the balance sheet, cash flow statement, and income statement with proper scaling.

The Equity Incentive Model assesses executive stock option transactions and identifies anomalous behavior by insiders.

The Technical Analysis Model identifies sustainable stock price momentum via analysis of moving averages and relative strength.



Universe of Coverage

The Comprehensive Model scores stocks on a 5 (best) to 1 (worst) scale for the top 4,500 U.S. companies by market capitalization listed on NYSE and NASDAQ. It is also available in a more granular 100-1 scale. Scores are generated weekly, on Friday mornings.

Out-of-Sample Performance¹

For the periods July 1998 – June 1999, July 2000- June 2002, and July 2003 – September 2023:

Score	6 Month Raw	6 Month Excess	12 Month Raw	12 Month Excess
5	8.12%	1.57%	15.35%	2.24%
1	2.45%	-2.68%	8.02%	-3.52%
Annualized Spread	11.34%	8.50%	7.33%	5.76%

¹ Raw returns are computed using compounded, dividend-inclusive returns. Excess returns are calculated for each score by subtracting the equally weighted mean sector and size category from the raw return for the related security.