Donoghue Forlines

DF Tactical Momentum SMA

For Investor Use

What Is Momentum Investing?

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A simple idea, built with a plan for when markets fall

Momentum investing rests on a simple observation: stocks that have recently been rising have historically tended to keep rising, and those that have been falling have tended to keep falling.

Rather than attempting to predict the future, the strategy focuses on what has recently been working.

The catch is the downside. In prolonged downturns, owning recent winners can hurt.

That is the risk the DF Tactical Momentum SMA is designed to attempt to manage.

1 **Identify**

Identify stocks with strong upward price momentum

2 **Buy**

Buy stocks showing recent relative strength

3 **Step Aside**

Move to short-term US Treasuries during a sustained market decline

The Research Behind Momentum

Momentum is the strategy of owning assets in an upward price trend and stepping aside once signals suggest they may have peaked.[1] Its benefits are supported by decades of academic research.

Jegadeesh and Titman[2]

"Strategies of buying recent stock winners and selling recent losers generated significantly higher near-term returns than the U.S. market overall from 1965 to 1989... a stock's relative performance over the previous three to 12 months typically predicted its relative performance for the following three to 12 months."

Asness, Frazzini, Israel, and Moskowitz[3]

"Momentum is the phenomenon that securities which have performed well relative to peers (winners) on average continue to outperform, and those that have performed poorly (losers) tend to continue to underperform. The existence of momentum is a well-established empirical fact."

Geczy, Ph.D., and Samonov, CFA[4]

"A dynamically hedged momentum strategy significantly outperforms the un-hedged strategy."

[1] What is Momentum Investing? Definition & Strategies, Finbold.
[2] Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency, March 1993, Journal of Finance.
[3] Fact, Fiction, and Momentum Investing, September 2014.
[4] 212 Years of Price Momentum (The World's Longest Backtest: 1801-2012), December 2013.

Academic findings describe historical patterns and do not guarantee future results.

How DF Tactical Momentum Works

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Own winning stocks. Step aside when markets deteriorate. Move back in when they recover.

The strategy follows a clear, rules-based process. No guesswork. No market predictions.

OWNERSHIP

What We Own

50 large-cap US stocks with positive price momentum and strong cash flow.

Sector exposure shifts based on where momentum is strongest and can become concentrated.

Individual stock positions are kept small, generally around 2% each, to limit single-name risk.

SELECTION

How Stocks Are Selected

Each stock must generate positive cash flow and trade actively.

The strongest recent performers in each sector qualify, and holdings are refreshed quarterly.

MOVEMENT

When We Step Aside

When trend signals point to a sustained market decline, the portfolio shifts entirely into short-term US Treasuries, then back to stocks when conditions improve.

These shifts are infrequent by design, and automatic rather than a judgment call.

About Donoghue Forlines

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Active risk management since 1986

Donoghue Forlines is a Boston-based investment firm with nearly four decades of experience in actively managed, risk-conscious portfolios.

Our belief: investors are better served by strategies that respond to changing markets than by those that simply hold on and hope.

Our Momentum Strategy was built with Syntax, a financial data and indexing firm, pairing the return potential of momentum with a rules-based process designed to help manage risk during major market declines.

Donoghue Forlines is a registered investment adviser with the US Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

1986

Year Founded

40+
Years of active risk management

SEC
Registered investment adviser

Rules-based
Process-driven, not judgment-based

Source: Donoghue Forlines

Current Portfolio Snapshot | DF Tactical Momentum SMA

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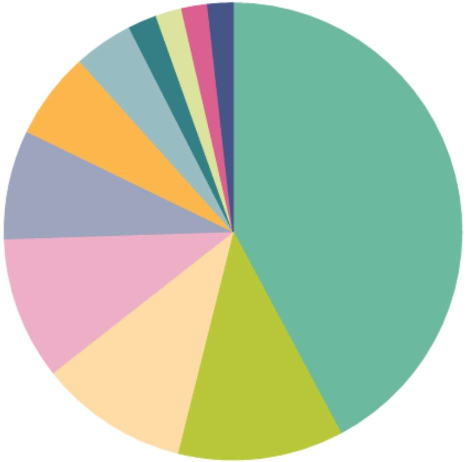
Current portfolio across sectors

Portfolio Date: 6/30/2026



	%
Technology	42.20
Financial Services	11.70
Healthcare	10.51
Communication Services	10.09
Consumer Cyclical	7.71
Consumer Defensive	6.15
Industrials	4.17
Energy	2.03
Real Estate	1.84
Utilities	1.83
Basic Materials	1.77
Total	**100.00**

Source: Morningstar, as of 6/30/2026.

Historical Performance | DF Tactical Momentum SMA

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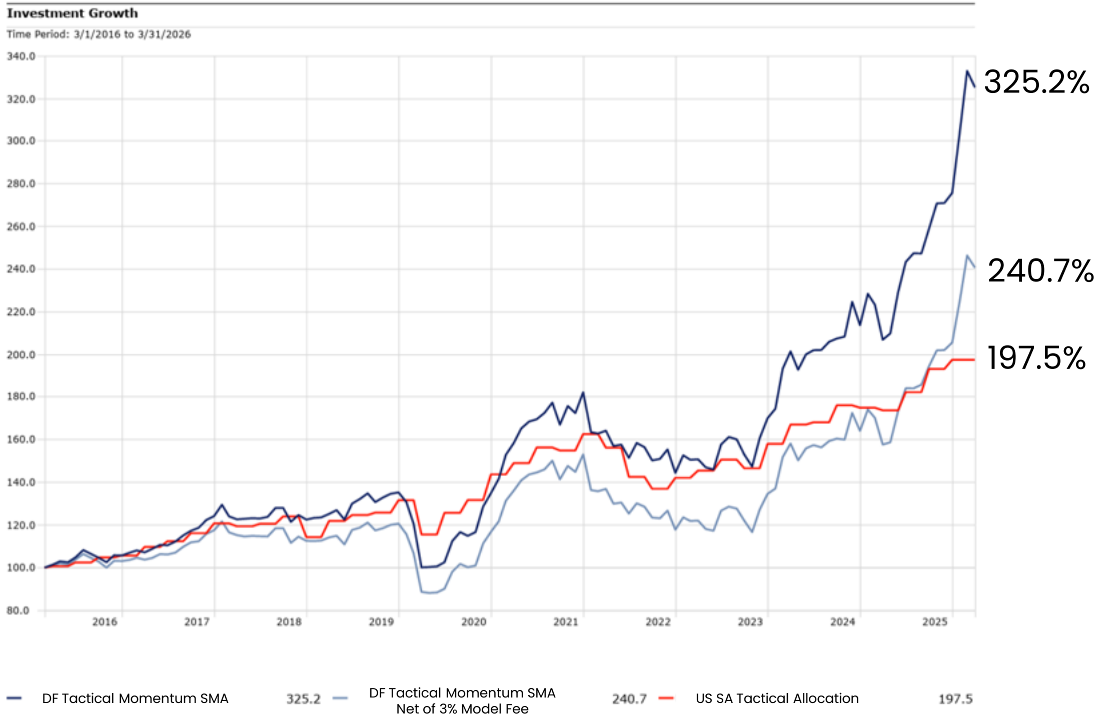
325% cumulative growth since inception, outpacing the category by more than 125 percentage points

The chart shows the growth of a hypothetical $100 investment since the strategy's inception in March 2016 through March 31, 2026, compared to peers in the same category and net of a hypothetical 3% maximum annual fee.

Since inception in March 2016, the strategy has grown through two significant market downturns - the COVID crash of 2020 and the 2022 bear market - while delivering cumulative returns that meaningfully exceed the average strategy in its category.

The gray line shows performance net of a hypothetical 3% annual fee, the highest fee an investor might pay.



Source: Morningstar, as of 3/31/2026; Q2 category data is not yet available. Since inception 3/1/2016. The chart reflects the growth of a hypothetical $100 investment and does not represent an actual investment. Past performance is not indicative of future results. Net of 3% reflects a hypothetical maximum fee; actual fees will vary - consult your financial advisor.

Trailing Returns | DF Tactical Momentum SMA

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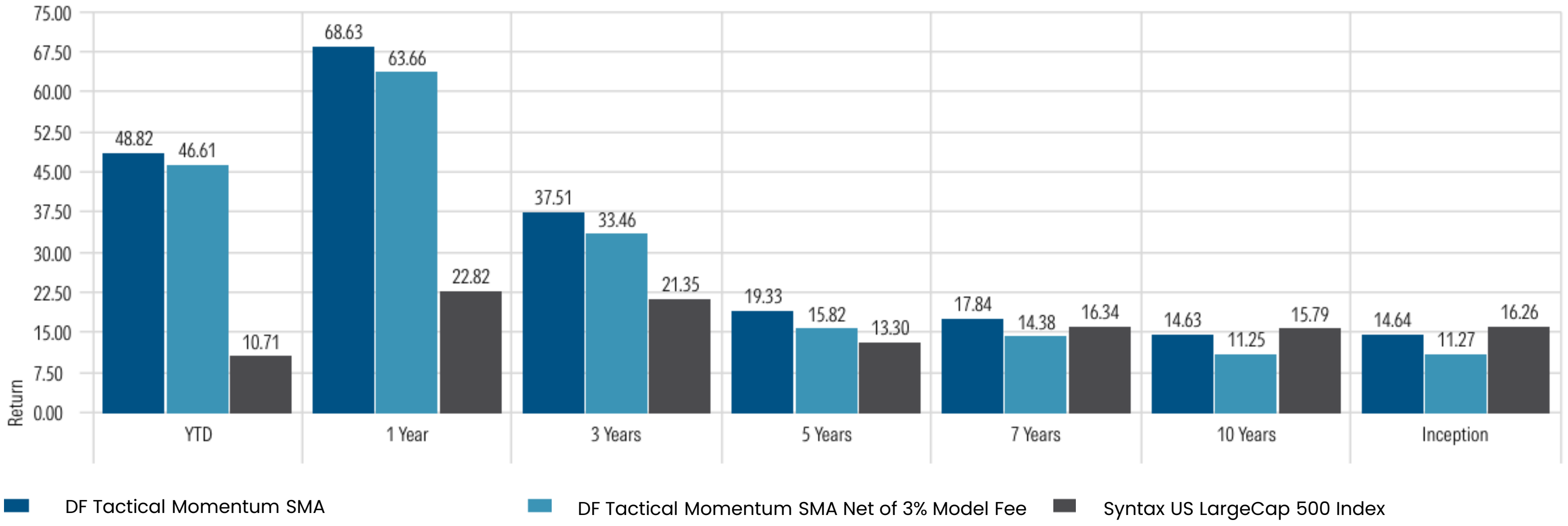
Outperforming across most time periods since inception

+68.63% over the past year
+37.51% annualized over 3 years
Both ahead of the benchmark.

The chart below shows annualized returns across standard time periods, compared to the benchmark and net of a hypothetical 3% maximum fee.



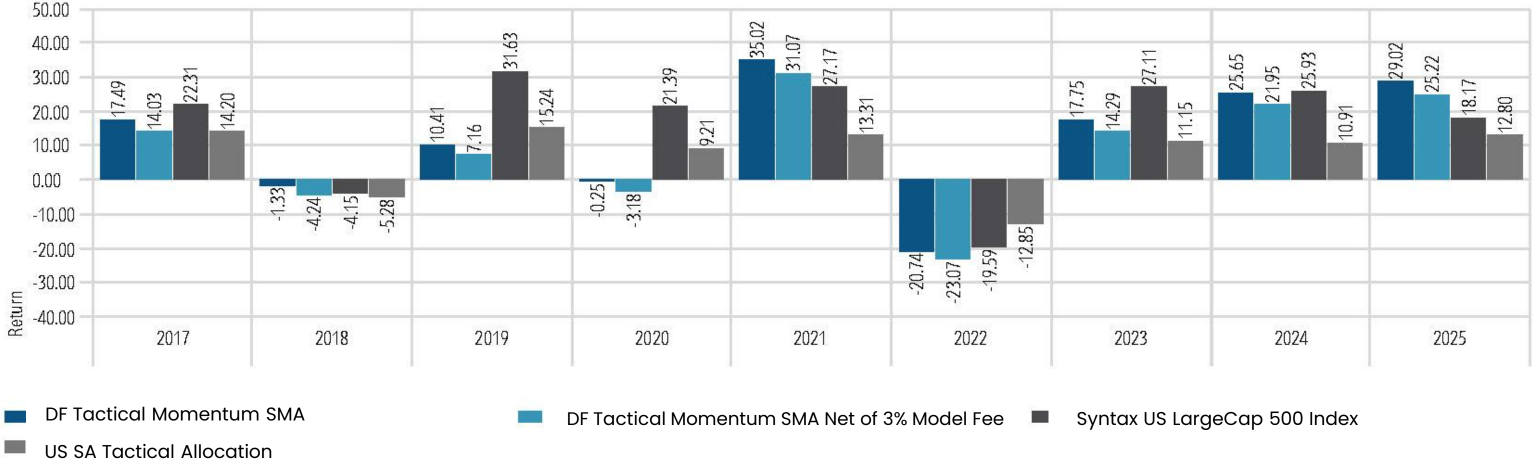
The strategy aims to deliver competitive returns over a full market cycle while historically experiencing smaller drawdowns and less downside participation than a passive index.

Source: Morningstar, as of 6/30/2026; Since inception 3/1/2016. Past performance is not indicative of future results. Net of 3% reflects a hypothetical maximum fee; actual fees will vary - consult your financial advisor.

Annual Returns | DF Tactical Momentum SMA

Year-by-Year Results - including the years that tested every strategy

No strategy wins every year. The chart below shows annual returns since 2017, alongside the benchmark and the broader tactical allocation category.



Over the full period, the strategy has sought competitive returns in strong markets and aimed to limit losses in downturns, though results vary by year.

Risk Statistics | DF Tactical Momentum SMA

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Full upside participation with smaller losses in down markets, measured over a full market cycle

Since Inception
3/1/2016 to 6/30/2026

The table below puts the annual return picture in context. Since inception, the strategy has captured more than the full market upside while taking less of its losses.

What We're Measuring	In Plain Terms	DF Tactical Momentum SMA	Benchmark
Extra Return Generated (Alpha)	Return earned above and beyond what the market delivered. Positive means the strategy added value on a risk-adjusted basis.	2.26	0.00
Market Sensitivity (Beta)	How much the strategy moves relative to the overall market. 1.0 tracks the market; below 1.0 is less reactive, above is more.	0.73	1.00
Largest Decline Peak-to-Trough (Max Drawdown)	The worst loss from a high point to a low point during the full period.	-25.98%	-24.83%
Year-to-Year Volatility (Std Dev)	How much annual returns have varied. Lower means a smoother, more consistent ride.	15.13%	15.37%
Best Single Month	The strongest monthly gain recorded since inception.	12.05%	12.93%
Worst Single Month	The worst monthly loss recorded since inception.	-16.91%	-12.26%
Participation in Rising Markets (Up Capture)	Of every dollar the market gained, how much the strategy captured.	76.61	100%
Participation in Falling Markets (Down Capture)	Of every dollar the market lost, how much the strategy experienced. Lower is better -- this is what the tactical overlay is designed to do.	62.82	100%

Captured 79 cents of every dollar the market gained. Experienced only 58 cents of every dollar it lost. That gap — measured since inception including 2022 — is what risk-managed investing looks like.

Source: Morningstar, as of 6/30/2026. Time period: 3/1/2016 to 6/30/2026 (since inception). Past performance is not indicative of future results. Benchmark: Syntax US LargeCap 500 Index.

Independent Recognition | DF Tactical Momentum SMA

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5-Star Morningstar Rating among 271 strategies in its category

MORNINGSTAR ★★★★★ ™

★★★★★

OVERALL RATING

As of 3/31/2026 | Out of 271 Strategies

US SA Tactical Allocation Category

What This Means

Morningstar's 5-star rating is awarded to the top 10% of strategies in a category, based on risk-adjusted performance over 3, 5, and 10 years.

The DF Tactical Momentum SMA earned this rating in the US Separate Account Tactical Allocation category - evaluated among 271 competing strategies.

This is independent, third-party recognition of the strategy's risk-adjusted performance over the rating period.

3 Year	5 Year	10 Year
★★★★★	★★★★★	★★★★★
Out of 271 strategies	Out of 260 strategies	Out of 168 strategies

Source: Morningstar Direct. US SA Tactical Allocation Category. As of 3/31/2026. Inception: 3/1/2016. The Donoghue Forlines Momentum SMA received an overall 5-star rating out of 271 strategies, a 3 Year 5-star rating out of 271 strategies, a 5 Year 5-star rating out of 260 strategies, and a 10 Year 5-star rating out of 168 strategies. Based on risk-adjusted returns. Past performance is not indicative of future results. Morningstar ratings are updated quarterly and may change.

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Important Disclosures

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Donoghue Forlines LLC is a registered investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. The firm was founded in 1986 to provide professional investment management services to individuals, corporations, and institutions, including trusts, employee benefit plans and retirement plans. Today, Donoghue Forlines' investment committee along with its team of professionals is passionately committed to assisting our advisors in helping them meet their client's investment objectives. The firm's solutions have evolved over the years but have been driven by a strong conviction that the "buy and hold" approach is not sufficient to help our advisors meet their clients' objectives of preserving and growing their wealth along with meeting sustainable income needs.

The DF Tactical Momentum SMA Composite was created March 1, 2016.

Performance. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Individual portfolio returns are calculated on a daily basis. Cash flows are weighted according to the time they are available to invest during the period using the Time Weighed Return method. Returns for the subperiods are geometrically linked to obtain the portfolio's monthly return.

Composite returns are calculated by asset-weighting the individual portfolio returns using beginning-of-period values and are calculated monthly in U.S. dollars. These returns represent investors domiciled primarily in the United States. Proxy positions might be held in place of composite holdings at some third -party model manager providers. Past performance is not indicative of future results. The calculation and presentation of performance has not been approved or reviewed by the SEC or its staff.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. For a compliant presentation and/or the firm's list of composite descriptions, please contact 800-642-4276 or Info@DonoghueForlines.com.

Fee Schedule. The investment management fee schedule for all portfolios is: Client Assets = All Assets; Annual Fee % = 0.50%. Actual investment advisory fees incurred may vary and should be confirmed with your financial advisor.

Net 3% Returns. For all portfolios, net 3% returns are presented net of a hypothetical maximum fee of three percent (3%). Actual fees applicable to an individual investor's account will vary and no individual investor may incur a fee as high as 3%. Please consult your financial adviser for fees applicable to your account.

The inclusion of Syntax US Large Cap 500 Index is for comparison purposes only. The Syntax US Large Cap 500 Index is a stratified-weight index holding large cap US equities satisfying a value screen. This index aims to hold companies with high book-to-market values relative to their industry groups, as defined by Syntax's FIX codes. Constituents are weighted based on Syntax's patented methodology to control exposure to related business risks (RBRs).

The inclusion of the US SA Tactical Allocation Morningstar Category is for comparison purposes only. The US SA Tactical Allocation refers to separate accounts that actively shift their asset allocation between stocks and bonds, aiming to benefit from short-term market trends and potentially generate higher returns than static allocation separate accounts. These separate accounts are characterized by material shifts in sector and/or regional allocations over time.

Index performance results are unmanaged, do not reflect the deduction of transaction and custodial charges, or the deduction of a management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. You cannot invest directly in an Index. Economic factors, market conditions and investment strategies will affect the performance of any portfolio, and therefore are not assurances that it will match or outperform any particular benchmark.

Important Disclosures

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Morningstar Rating™ for Separate Accounts.

The Morningstar RatingTM for separate accounts, or "star rating", is calculated for separate accounts with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

In May 2026, Morningstar published its star ratings for periods ended March 31, 2026. Morningstar calculated the Overall Morningstar Rating for the DF Tactical Momentum SMA as five stars based on the portfolio's risk-adjusted return from its inception (March 1, 2016) through March 31, 2026. Overall 5-star rating out of 271 US SA Tactical Allocation separate accounts as of March 31, 2026. A 3-Year 5-star rating out of 271 US SA Tactical Allocation separate accounts as of March 31, 2026. A 5-Year 5-star rating out of 260 US SA Tactical Allocation separate accounts as of March 31, 2026. A 10-Year 5-star rating out of 168 US SA Tactical Allocation separate accounts as of March 31, 2026. Morningstar ratings for separate accounts are determined quarterly, and the DF Tactical Momentum SMA may receive a different rating in the future.
Please contact us at 800-642-4276 for the most recent Morningstar Rating.

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