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# Foundry Energy Conservative Asset Growth Factor ETF (FASE)

Statement of Additional Information · November 2026 · Dated 2026-11-13
ETF Foundry Research (hypothetical) · Listing: Not listed (hypothetical) · CUSIP: Not applicable (hypothetical model portfolio)

## Fund History

This Statement of Additional Information relates to Foundry Energy Conservative Asset Growth Factor ETF (FASE), a hypothetical model portfolio in the Hypothetical Model Portfolio Series (not a registered trust). It is not part of any registration statement because none exists; it is provided for research transparency only.

## Investment Policies and Restrictions

The model applies a single rules-based factor screen and holds the top bucket of the ranked universe (with an offsetting short leg in the research series). It does not use leverage beyond the long-short construction, options, or borrowing. There are no fundamental investment restrictions because the Fund is not a registered investment company and holds no assets.

## Portfolio Construction Methodology

The hypothetical Fund seeks to track a rules-based model that, each month, ranks liquid U.S. common stocks in the Energy sector by a Conservative Asset Growth signal and takes a long position in the top quintile of names with the lowest signal values. The research model additionally holds a short position in the bottom bucket to isolate the factor (a long-short construction).

Long positions are cap-weighted (or equal-weighted where noted) within the long leg. The model reconstitutes monthly using point-in-time Sharadar fundamentals and split- and dividend-adjusted total-return prices. It is a research backtest, not a live trading record.

Because this is a hypothetical model portfolio and not a registered investment company, the Fund does not actually hold securities, accept investments, or transact; all figures are illustrative.

## Disclosure of Portfolio Holdings

Because the model is fully transparent and reconstitutes monthly, the complete hypothetical holdings are published on the accompanying Daily Holdings file. No selective disclosure policy applies.

## Management and Governance

Investment Adviser (hypothetical): ETF Foundry Research (hypothetical). There is no board of trustees, officer, custodian, or transfer agent because no assets are held; any such roles are illustrative placeholders.

## Control Persons and Principal Holders of Securities

None. No shares are issued or outstanding, so there are no control persons or record/beneficial holders.

## Investment Advisory and Other Services

If the Fund were real, the Adviser would provide investment management for a unitary fee of 0.45%. No advisory, administrative, custody, audit, or legal services are actually provided or paid for.

## Brokerage Allocation and Other Practices

Not applicable. No brokerage is placed and no commissions are paid because the model does not trade.

## Capital Structure

Not applicable. The Fund has no authorized or outstanding shares, no share classes, and no net asset value.

## Purchase, Redemption, and Pricing of Shares

Not applicable. There are no Creation Units, Authorized Participant agreements, or net-asset-value calculations because the Fund is hypothetical.

## Taxation

Not applicable. The Fund is not a regulated investment company, holds no assets, and makes no distributions, so it has no tax status or consequences.

## Hypothetical Performance Detail

Backtest metrics (hypothetical, gross of expenses and costs):

| Metric | Value |
|---|---|
| Full-period Sharpe (long-short) | 0.05 |
| Annualized return (long-short) | 0.89% |
| Annualized volatility | 16.71% |
| Maximum drawdown | -46.80% |
| Out-of-sample (2019-26) Sharpe | 0.17 |
| Out-of-sample FF5 alpha (annualized) | 5.32% |
| FF5 alpha t-statistic | 0.77 |
| Average monthly turnover (long leg) | 14.92% |
| Months in sample | 335 |