



Merlyn.AI

Unleash the Wizard

Merlyn.AI Corporation Launches WIZ – the Bull-Rider Bear-Fighter ETF

WIZ Revolutionizes ETF Investing with AI Technologies that Seek to Improve Both Bull Market Performance and Bear Market Defenses

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Merlyn.AI Corporation (MAI), a Palo Alto-based provider of exchange traded funds, announces the October 17th launch of WIZ – an ETF that tracks the Bull-Rider Bear-Fighter index – on the New York Stock Exchange (NYSE). This index employs AI genetic algorithms, which enable it to adapt to changing markets.

“Most investors want an ETF that improves returns in both bull and bear markets,” said David Epstein, MAI CEO and Co-founder. “WIZ seeks to do just that.”

The Bull-Rider Bear-Fighter index strives to select the top momentum leaders during bull markets and opportunistically shift to the Bear Market Strategy (bonds, treasuries, gold ETFs) when markets appear to have an elevated risk of market decline. It does this with the ground-breaking application of three forms of AI:

- 1. Genetic Algorithms** evaluate more than 750 ETFs to select sets of candidate funds for its ever-evolving population of competing momentum strategies. It then chooses only the top momentum performers for the portfolio. This helps mitigate the risk of human-based hindsight selection bias in the ETF selection process and enables the index to adapt to changing market conditions.
- 2. Fuzzy Logic** is used to evaluate 14 characteristics of the market to assess when it appears to have an elevated risk of decline. If the result exceeds a fixed threshold, the index will switch to a Bear Market Strategy automatically, seeking to maximize profits even during downturns.
- 3. Adaptive Tuning** assess past market data and tunes the algorithms’ momentum filters using differential signal processing and match filter theory – both of which may improve the probability of making better investment selections.

The Bull-Rider Bear-Fighter index is the result of more than three decades of research and development by MAI Co-founder and Chief Science Officer Scott Juds, who discovered trends in market data using advanced signal processing in early 1992. Mr. Juds has been refining his system through many bull and bear markets ever since. The benefits of assessing an elevated risk of market decline and utilizing adaptive momentum filters have been fueling the success of Juds’ 10-year-old SumGrowth Strategies LLC in Seattle, WA. This new AI approach already has the

support of SumGrowth’s subscribers, both individual investors and financial professionals around the country. To further improve investing simplicity as well as tax efficiency, Merlyn.AI Corporation was formed to deliver this index as an ETF.

“Better performance requires the resolution of multiple problems. While the industry is currently focused on neural networks and the belief that one tool can solve everything, WIZ takes a divide-and-conquer approach by using the best AI tool for each problem,” said MAI COO Sue Guzman. “As a result, this Merlyn.AI ETF seeks to avoid market risk instead of merely diluting it through diversification, a process that typically draws down overall portfolio performance by including laggards.”

Media Contact:

Erin Condit

Erin@Merlyn.AI

917-885-3530

About Merlyn.AI Merlyn.AI Corporation (MAI) is a Palo Alto-based exchange traded fund provider launched in January 2019 by two long-time friends, David Epstein and Scott Juds. MAI is exclusively licensed to create and market ETFs based on the Merlyn.AI technology developed by Seattle-based SumGrowth Strategies, LLC. The WIZ ETF investment advisor is Empowered Funds LLC, dba Alpha Architect. The WIZ ETF is distributed by **Quasar Distributors** LLC, member of FINRA, SIPC. Neither Merlyn.AI nor SumGrowth Strategies LLC is affiliated with Quasar Distributors LLC. MAI funds are not sponsored, endorsed, issued, sold or promoted by its indexing agent, Solactive AG, nor does Solactive AG make any representations regarding the advisability of investing in WIZ. MAI, Quasar Distributors, and SumGrowth Strategies are not affiliated with Solactive AG. For more information, please visit the www.Merlyn.AI website.

MAI Core Team

David Epstein, Co-founder and CEO is also the CEO and Founder of Epstein Advisors. Mr. Epstein, a DCI Fellow at Stanford University, teaches finance and business ethics as an adjunct professor at the University of San Francisco. He has served as a General Partner at Crosslink Capital, CEO of Sol Voltaics Raycer Graphics, and VP of Engineering at NextGen Kendal Sq Research. Mr. Epstein received his MBA from Boston University, and his MSEE and BSEE from University of Wisconsin-Madison.

Sue Guzman, COO: With a MS-Engineering Management degree from Stanford University and BSEE from University of Wisconsin-Madison, Ms. Guzman has three decades of successful corporate leadership experience. This includes Blue Chip firms (Hewlett Packard, Teradyne and National Instruments), as well as new companies, such as fiber optics startup kSaria. These experiences led to her selection as CEO and General Manager (ret.) of Celerity Systems/Aeroflex Inc., a major supplier of broadband test and measurements products based in Cupertino, CA. Aside from her duties at MAI, she is President of Canine Companions for Independence (South

Bay), a nonprofit that trains highly skilled assistance dogs for placement with children and adults with disabilities — for free.

Scott Juds, Co-founder and Chief Science Officer: The Stanford University and UW-Madison-educated electrical and computer engineer is the founder of Seattle-based SumGrowth Strategies (a decade-old company with two automated platforms - AlphaDroid for advisors and SectorSurfer for individual investors). Mr. Juds is the named inventor on more than 40 US and foreign patents, creator of Temporal Portfolio Theory (modern momentum investing using signal processing, match filtering, and adaptive technologies), and the author of *Conquering the Seven Faces of Risk* (FinTech Press 2016) and *Photoelectric Sensors and Controls* (Marcel Dekker 1988).

Disclosures:

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.MerlynETFs.com. Please read the prospectus carefully before investing.*

An investment in the fund is subject to investment risk, including the possible loss of principal. WIZ ETF shares may be bought and sold on the NYSE 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 WIZ ETF strategy will be successful.** Because it invests primarily in other ETFs, WIZ ETF'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 ETF's returns to be lower than if the ETF employed an active strategy. The performance of the ETF and its Index may differ due to tracking error. The Index uses 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 an ETF using a momentum strategy may suffer. WIZ ETF is 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 ETF's Shares and greater risk of loss.

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