INVESTOR ONE-SHEET

Capital-FORCE ETF

Refined IBD® 50 Index: What Investors Should Know

The IBD 50 Index adopted new rules in October 2026. The new rules change which stocks get in, how much each one weighs, when a stock leaves and when the index moves partly to cash.

Top 5 Rule Changes of the IBD 50 Index

1. **Built-in Risk Management**
When signals* from the S&P 500 or Nasdaq Composite potentially point to a downturn, the index moves half its assets to cash equivalents. It returns to fully invested once those signals improve.

2. **Lagging stocks leave faster**
At the end of each week, the index drops any stock that closes 2% or more below its average price over the past 10 weeks.

3. **Top performers can grow larger**
Stocks already in the index keep the weight they earn, up to 8% each. The old rules reset weights by rank every time. Up to six of the highest-ranked stocks can hold the full 8%.

4. **Higher-rated stocks get in**
A stock must trade above its 10-week average price and rank in the top tier on both its IBD Composite Rating and its IBD Relative Strength score.

5. **Cash when leaders are scarce**
If fewer than 50 stocks qualify, the index holds cash in the open slots instead of forcing a full list of 50.

What Stayed the Same

Weekly rebalancing continues
The index still rebalances every week. The new rules spell out the schedule and limit new additions to set reconstitution dates.

Core eligibility rules carry over
Stocks must still trade on the NYSE, Nasdaq or NYSE American and meet the same filing and share type requirements. IBD's index policies are unchanged.

*** Market signals are as follows:**

ALERT STATUS	A break above the upper channel of the S&P 500 or NASDAQ Composite. In technical analysis, the upper channel (or upper channel line) of a major market index represents the line of maximum resistance within an established, upward-sloping trend. Resistance is a price ceiling on a chart where selling pressure temporarily overwhelms buying demand, potentially stopping an asset's price from rising further.
50% CASH	If, during an alert, the 200-day moving average for either index drops below the previous week's close, the Index moves to 50% cash & cash equivalents.
FULLY INVESTED	Once the 200-day moving average for either index is above the previous week's close, the Index returns to fully invested on the next trading day.

Definition of Terms

IBD 50 Index is a rules-based, computer-generated index that tracks the overall investment performance of Investor's Business Daily®'s (IBD) top 50 ranked U.S. growth stocks.

IBD Composite Rating combines Investor's Business Daily's key proprietary ratings into a single score, used to compare a stock's overall strength with that of all other stocks.

IBD Relative Strength is a technical indicator of a stock's 12-month price performance compared to all other stocks in IBD's database.

10-week moving average is the average of a stock's weekly closing prices over the most recent 10 weeks.

200-day moving average is the average of an index's daily closing values over the most recent 200 trading days.

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