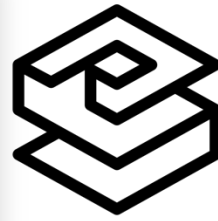


# Return Stacked<sup>®</sup>

## RSBY – Bonds & Futures Yield

© Return Stacked<sup>®</sup> ETFs – 2024  
August 2024

RSBY | RETURN STACKED<sup>®</sup> BONDS & FUTURES YIELD



# Important Disclosures

Investors should carefully consider the investment objectives, risks, charges and expenses of the Return Stacked® Bonds & Managed Futures ETF. This and other important information about the ETF is contained in the prospectus, which can be obtained by calling 1-310-498-7655 or clicking [here](#). The prospectus should be read carefully before investing.

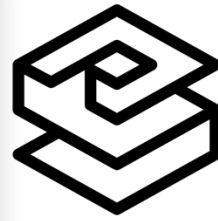
For current holdings click [here](#).

Toroso Investments, LLC (“Toroso”) serves as investment adviser to the Funds and the Funds’ Subsidiary.

Newfound Research LLC (“Newfound”) serves as investment sub-adviser to the Funds.

ReSolve Asset Management SEZC (Cayman) (“ReSolve”) serves as futures trading advisor to the Fund and the Funds’ Subsidiary.

The Return Stacked® Bonds & Managed Futures ETF is distributed by Foreside Fund Services, LLC, Member FINRA/SIPC. Foreside is not related to Toroso, Newfound, or ReSolve.



# Important Risk Factors

Investments involve risk. Principal loss is possible. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. Brokerage commissions may apply and would reduce returns.

**Derivatives Risk:** Derivatives are instruments, such as futures contracts, whose value is derived from that of other assets, rates, or indices. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments.

**Cayman Subsidiary Risk:** By investing in the Fund's Cayman Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. The futures contracts and other investments held by the Subsidiary are subject to the same economic risks that apply to similar investments if held directly by the Fund. The Subsidiary is not registered under the 1940 Act, and, unless otherwise noted in the Fund's Prospectus, is not subject to all the investor protections of the 1940 Act.

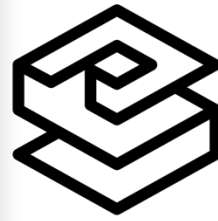
**Bond Risk:** The Fund will be subject to bond and fixed income risks through its investments in U.S. Treasury securities, broad-based bond ETFs, and investments in U.S. Treasury and fixed income futures contracts. Changes in interest rates generally will cause the value of fixed-income and bond instruments held by Fund (or underlying ETFs) to vary inversely to such changes.

**Commodity Risk:** Investing in physical commodities is speculative and can be extremely volatile.

**Commodity-Linked Derivatives Tax Risk:** The tax treatment of commodity-linked derivative instruments may be adversely affected by changes in legislation, regulations, or other legally binding authority. As a registered investment company (RIC), the Fund must derive at least 90% of its gross income each taxable year from certain qualifying sources of income under the Internal Revenue Code. If, as a result of any adverse future legislation, U.S. Treasury regulations, and/or guidance issued by the Internal Revenue Service, the income of the Fund from certain commodity-linked derivatives, including income from the Fund's investments in the Subsidiary, were treated as non-qualifying income, the Fund may fail to qualify as RIC and/or be subject to federal income tax at the Fund level. The uncertainty surrounding the treatment of certain derivative instruments under the qualification tests for a RIC may limit the Fund's use of such derivative instruments.

**Commodity Pool Regulatory Risk:** The Fund's investment exposure to futures instruments will cause it to be deemed to be a commodity pool, thereby subjecting the Fund to regulation under the Commodity Exchange Act and the Commodity Futures Trading Commission rules. Because the Fund is subject to additional laws, regulations, and enforcement policies, it may have increased compliance costs which may affect the operations and performance of the Fund.

**Credit Risk:** Credit risk refers to the possibility that the issuer of a security will not be able to make principal and interest payments when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer.



# Important Risk Factors

**Currency Risk:** Currency risk is the risk that changes in currency exchange rates will negatively affect securities denominated in, and/or receiving revenues in, foreign currencies. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments and central banks.

**Foreign and Emerging Markets Risk:** Foreign and emerging market investing involves currency, political and economic risk.

**Leverage Risk:** As part of the Fund's principal investment strategy, the Fund will make investments in futures contracts to gain long and short exposure across four major asset classes (commodities, currencies, fixed income, and equities). These derivative instruments provide the economic effect of financial leverage by creating additional investment exposure to the underlying instrument, as well as the potential for greater loss.

**Non-Diversification Risk:** The Fund is non-diversified, meaning that it is permitted to invest a larger percentage of its assets in fewer issuers than diversified funds.

**Underlying ETFs Risk:** The Fund will incur higher and duplicative expenses because it invests in bond ETFs. The Fund may also suffer losses due to the investment practices of the underlying bond ETFs.

**High Portfolio Turnover Risk:** The Fund may actively and frequently trade all or a significant portion of the Fund's holdings. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses.

**Models and Data Risk:** The composition of the Fund's (and Subsidiary's) portfolio is heavily dependent on proprietary investment models as well as information and data supplied by third parties ("Models and Data")

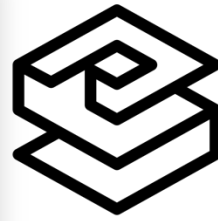
**New Fund Risk:** The Fund is a recently organized with no operating history. As a result, prospective investors do not have a track record or history on which to base their investment decisions.

# What is Return Stacking?

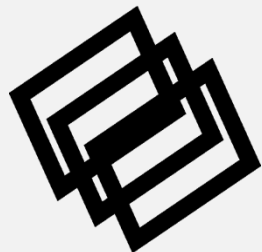
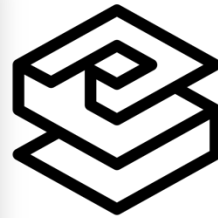
At its core, return stacking is the idea of layering one investment return on top of another, achieving more than \$1.00 of exposure for each \$1.00 invested.

For decades, sophisticated institutional investors have thoughtfully applied leverage to include diversifying alternative strategies without diluting their core stock and bond allocations. We believe that due to the complexity of managing derivatives, small institutions, financial advisors, and individuals have largely been locked out of this approach.

Today, professionally managed exchange-traded products allow investors the opportunity to implement this concept.

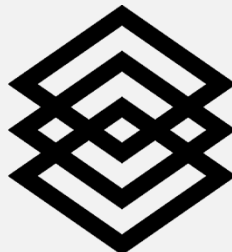


# Why Return Stacked® ETFs?



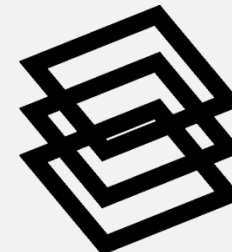
## Pursuing Diversification Without Sacrifice

Investors can introduce diversifying assets and strategies without sacrificing exposure to their traditional asset allocation.



## Potential for Enhanced Returns

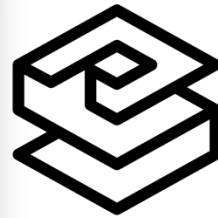
By introducing additional sources of return, return stacking creates the potential for outperformance, which may be particularly attractive in an environment where expected returns for traditional assets may be muted.



## Potential to Improve Diversification

By thoughtfully introducing differentiated return streams, investors may gain a diversification advantage with the potential to reduce portfolio volatility and drawdowns.

Diversification does not assure a profit.



# RSBY – Bonds & Futures Yield

The Fund seeks long-term capital appreciation and current income by investing in two complementary investment strategies; a bond strategy and a futures yield strategy.

For every \$1 invested, the ETF seeks to provide \$1 of exposure to its Bond strategy and \$1 of exposure to its Futures Yield strategy.

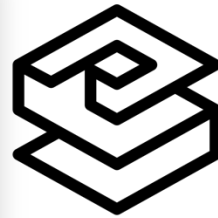
## **Bond Strategy**

Seeks to capture the total return of the broad U.S. fixed income market, investing in U.S. Treasury securities, broad-based bond ETFs, or U.S. Treasury futures.

## **Futures Yield Strategy**

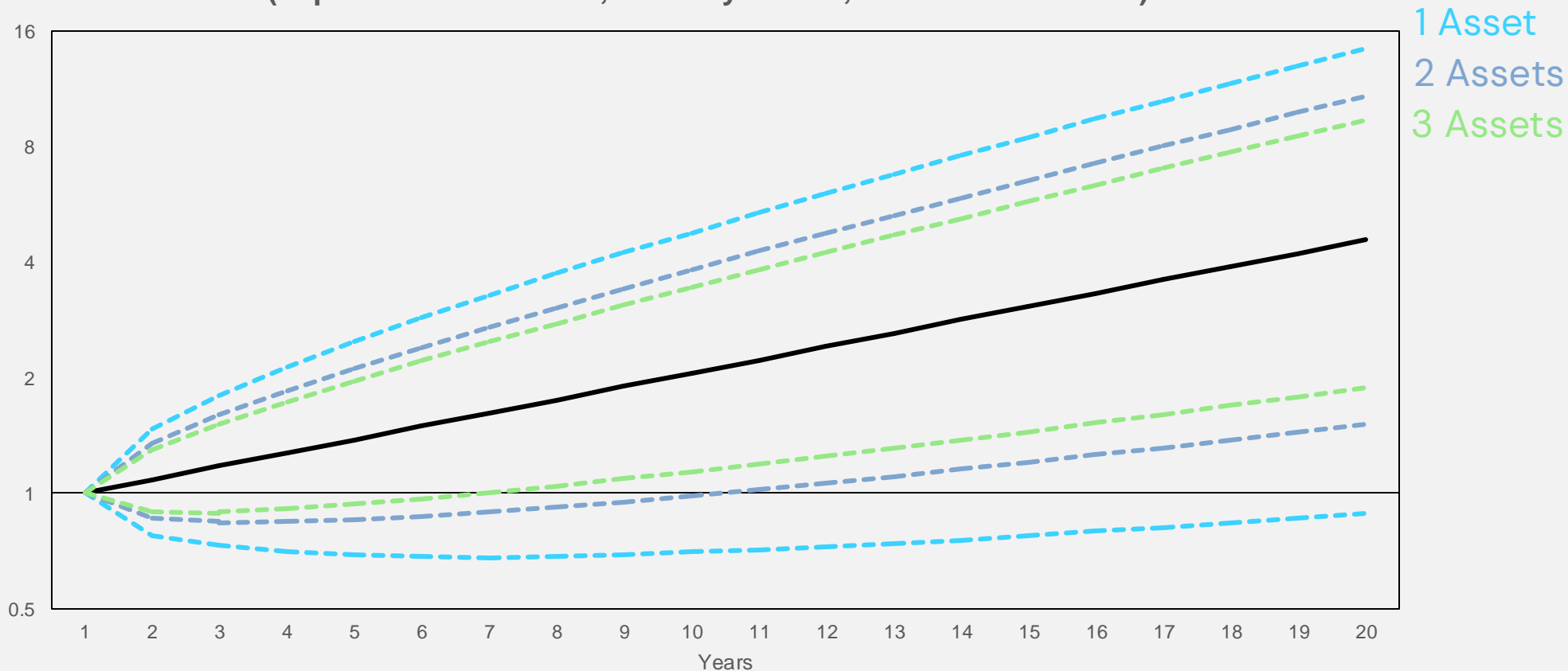
Seeks to invest long and short across commodities, currencies, bonds, and equities via futures contracts using a systematic and quantitative process that uses carry<sup>1</sup> as a primary signal.

*1. Carry can be defined as the expected return of an investment assuming no change in its price.*



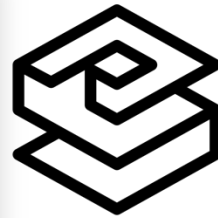
# Diversification: "The Only Free Lunch"

Simulated Growth of \$1  
(Expected Return of 8%, Volatility of 16%, and Correlation of 0)



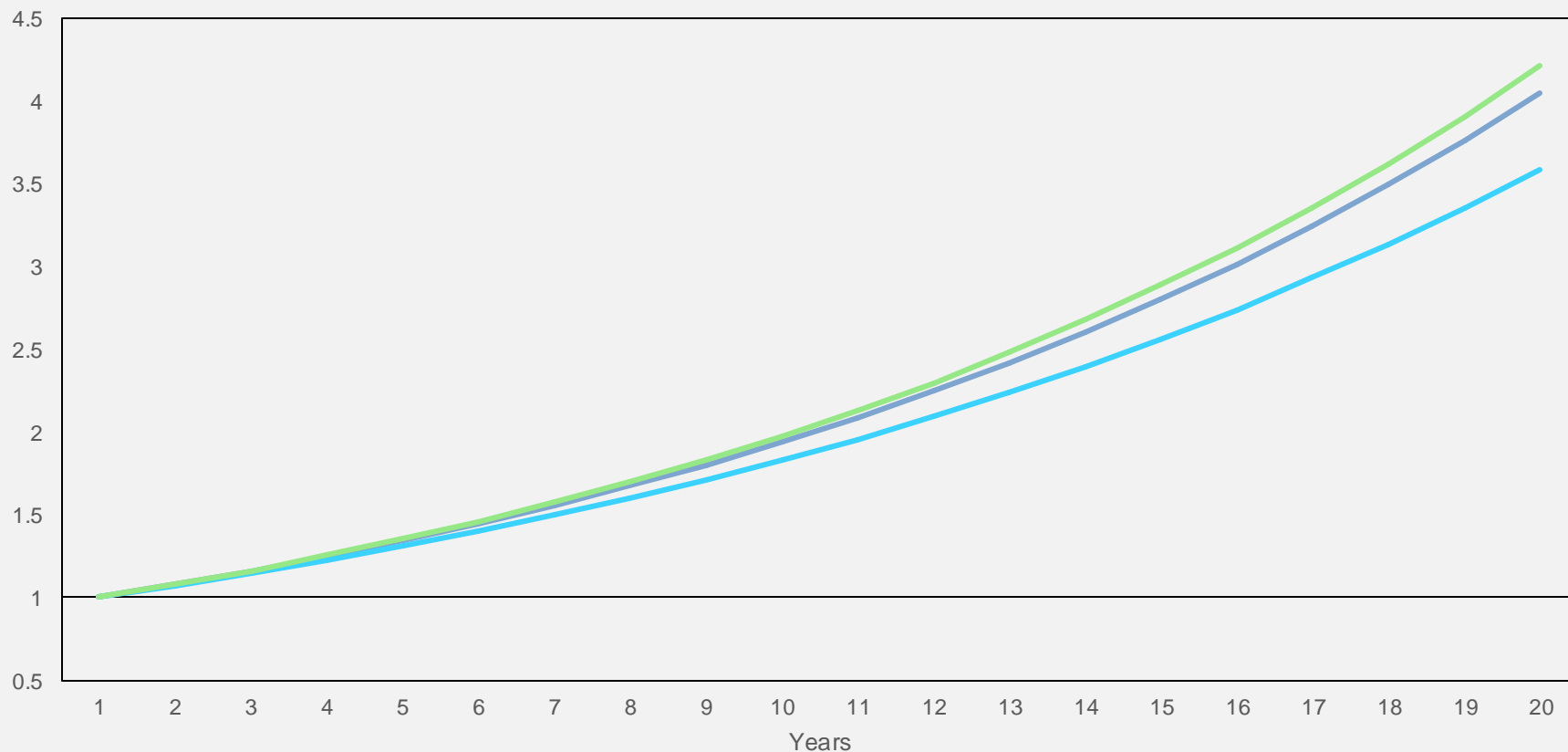
Calculations by Newfound Research. "1 Asset" plots the expected growth, and two standard deviation band, of \$1 invested in asset with an expected annual return of 8% and an annualized volatility of 16%, assuming annual returns follow an independent and identically distributed normal distribution. "2 Assets" plots the same, assuming an equally-weighted portfolio of two assets with zero correlation, rebalanced annually. "3 Assets" plots the same, assuming an equally-weighted portfolio of three assets with zero correlation to each other, rebalanced annually. Quote attributed to Nobel Prize laureate Harry Markowitz.





# Diversification: "The Only Free Lunch"

Simulated Growth of \$1 – Median Result  
(Expected Return of 8%, Volatility of 16%, and Correlation of 0)

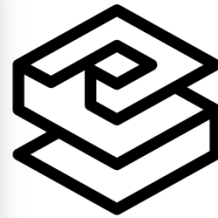


3 Assets

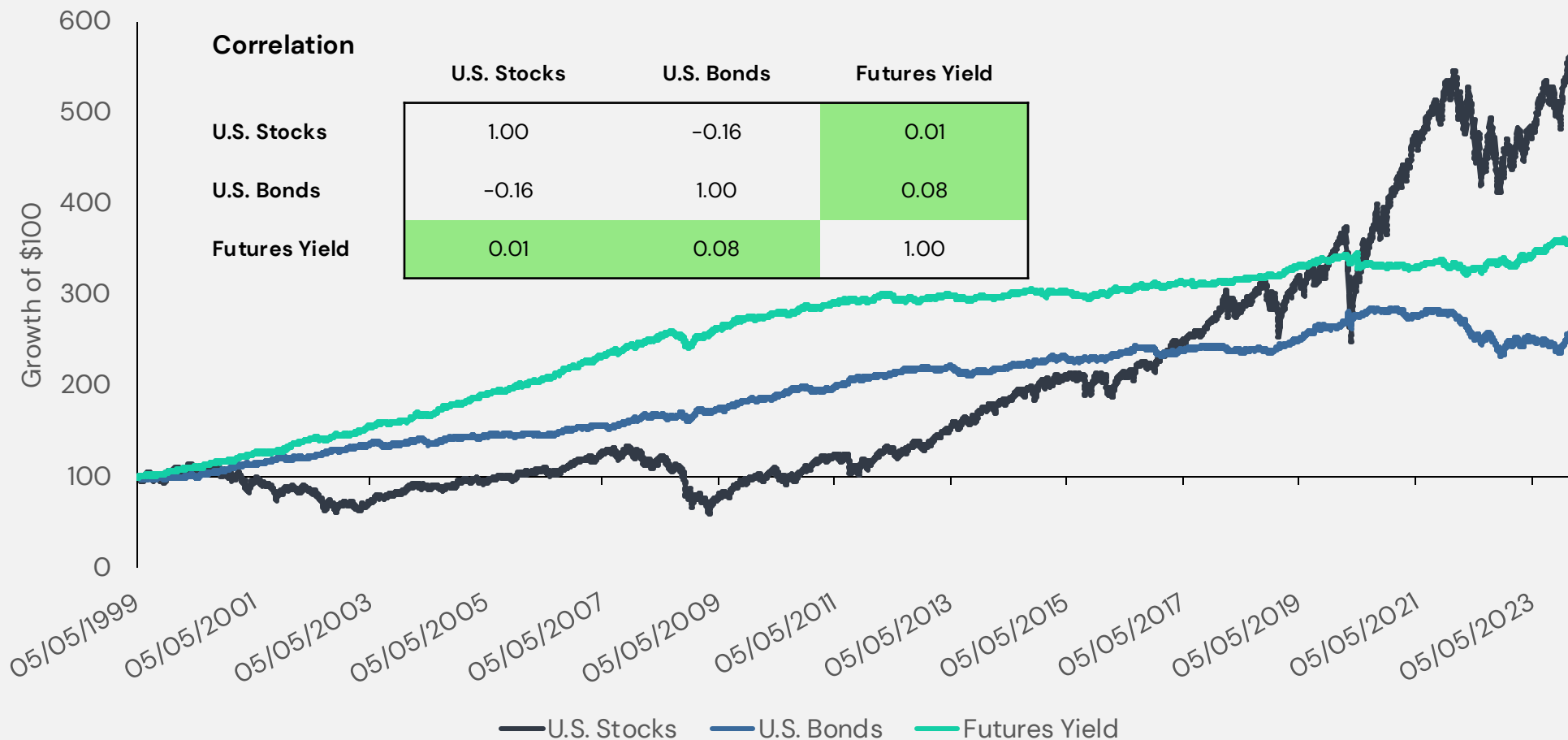
2 Assets

1 Asset

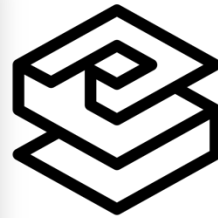
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# Stocks, Bonds & Futures Yield

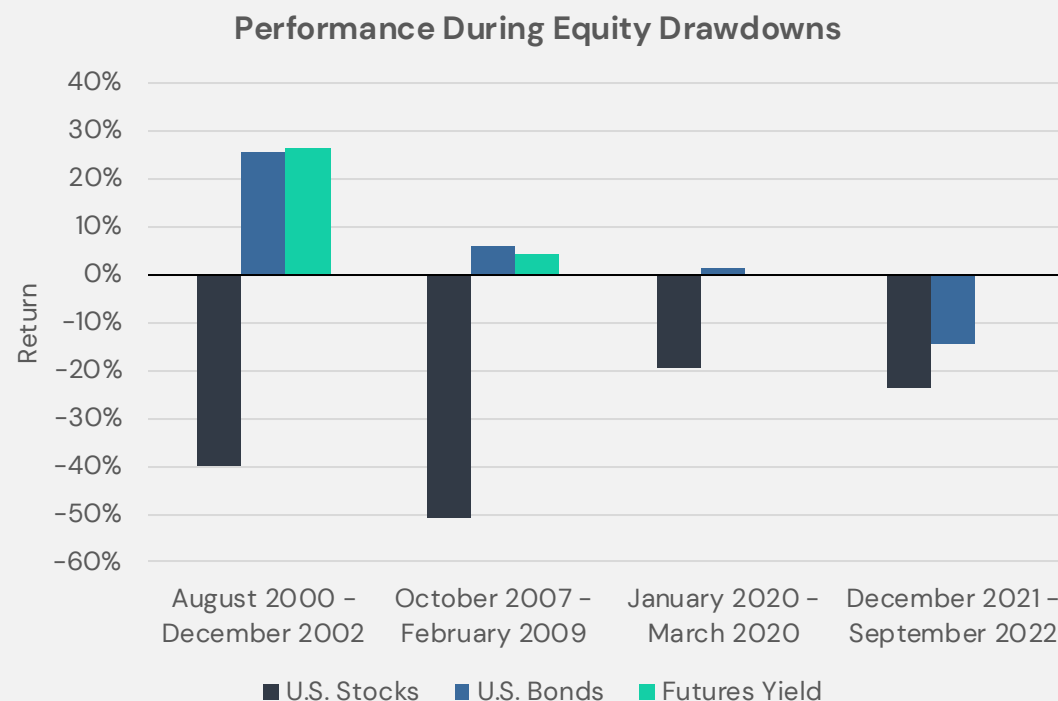


Source: Bloomberg. U.S. Stocks is the S&P 500 Index ("SPX"). U.S. Bonds is the Bloomberg US Aggregate Bond Index ("LBUSTRUU"). Returns for both U.S. Stocks and U.S. Bonds are gross of all fees. Futures Yield is the 100% Bloomberg GSAM Cross Asset Carry Index ("BGSXAC") / 100% Bloomberg 1-3 Month U.S. Treasury Bill Index ("LD12TRUU") portfolio rebalanced daily. You cannot invest in an index. Please see glossary at the end of this presentation for index definitions. Returns are gross of taxes. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results.



# Why Futures Yield (Carry)?

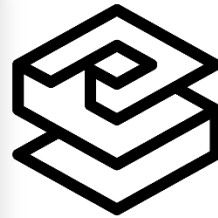
The potential to introduce an additional source of returns with a natural, intuitive explanation in terms of compensation for economic risk factors.



Historically, Futures Yield (Carry) has exhibited:

- Positive long-term returns
- Low correlation to stocks and bonds
- Low correlation to equity drawdowns
- Low correlation to other macro strategies (e.g. trend following)

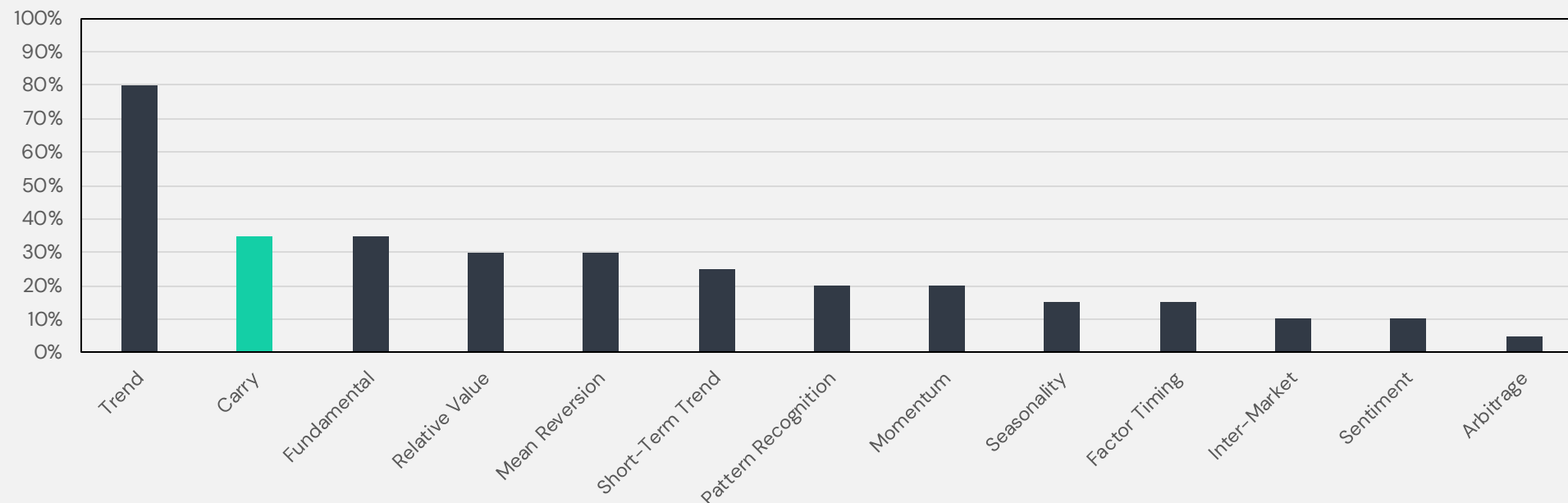
Source: Bloomberg. U.S. Stocks is the S&P 500 Total Return Index ("SPXT"). U.S. Bonds is the Bloomberg US Aggregate Bond Index ("LBUSTRUU"). Returns for both U.S. Stocks and U.S. Bonds are gross of all fees. Futures Yield is the 100% Bloomberg GSAM Cross Asset Carry Index ("BGSXAC") / 100% Bloomberg 1-3 Month U.S. Treasury Bill Index ("LD12TRUU") portfolio rebalanced daily. You cannot invest in an index. Please see glossary at the end of this presentation for index definitions. Returns are gross of taxes. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results.



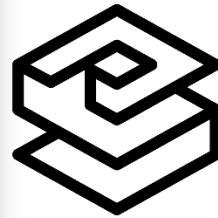
# A Popular Global Macro Strategy

Futures Yield (Carry) is a popular strategy driver for many CTA strategies.

Percent of Managers in the Société Générale CTA Index Who Reference Each Investment Style/Signal in their Strategy Description



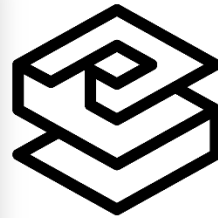
Source: Newfound Research. Numbers are best estimates based upon publicly available data. Data sources are available upon request. At the time of publication, managers within the Société Générale CTA Index include: AlphaSimplex ASG Managed Futures, AQR Capital Management Managed Futures, Aspect Capital Diversified, BH-DG Systematic Trading, Campbell & Company Managed Futures, Crabel Capital Management Gemini, Episteme Capital Partners Systematic Quest, Graham Capital Management Quant Macro, Graham Capital Management Tactical Trend, ISAM Vector, John Street Capital Systematic Fund Trident, Lynx Asset Management Lynx Program, Man AHL Alpha, Millburn Ridgefield Diversified Program, PIMCO Trends Managed Futures, Quest Partners AlphaQuest - Original, ROW Asset Management Diversified Program, Systematica Investments BlueTrend, Transtrend DTP/Enhanced Risk, and Winton Capital Management Diversified Macro. See Glossary of Investment Styles for strategy definitions.



# Sources of Yield in Different Asset Classes

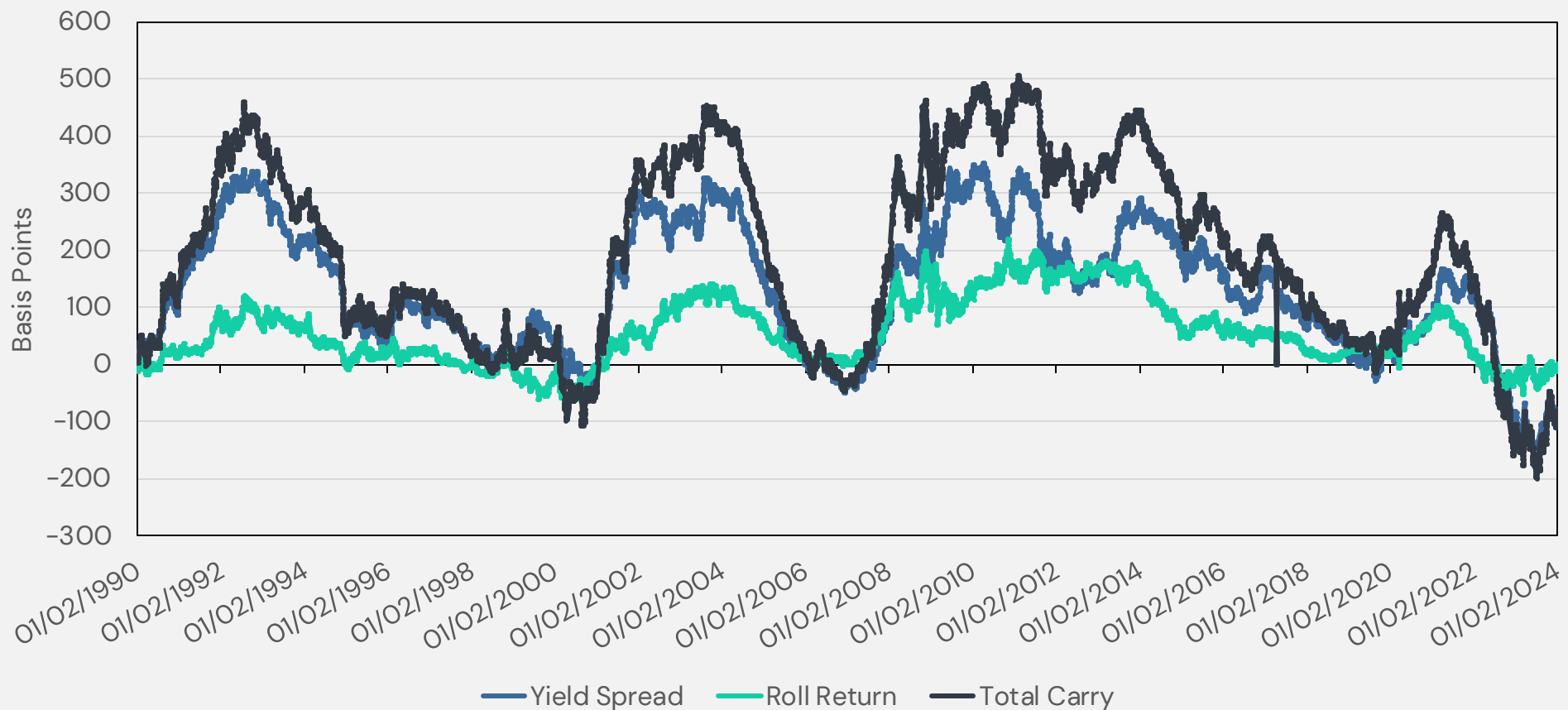
Futures Yield (Carry) captures intuitive return drivers with natural, risk-based explanations.

Asset Class	What Does Futures Yield Capture?	Risk-Based Theory
Equities	Expected dividends minus the risk-free rate	Compensation for fundamental risks.
Bonds	Yield in excess of the risk-free rate plus roll down	Compensation for illiquidity risk, monetary policy risk, and inflation risk.
Commodities	Convenience yield (i.e., benefit of holding a commodity minus associated costs such storage, transportation, and insurance)	Providing insurance to commodity producers.
Currencies	Interest rate spread between countries	Inflation, funding liquidity, and consumption growth risks.

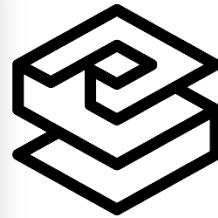


# Example: 10-Year U.S. Treasury Carry Over Time

Carry measures vary over time based upon prevailing market conditions.



*For illustrative purposes only. Yield spread is the spread between 10-year and 1-year U.S. Treasuries. Roll Return estimates the return of holding a 10-year U.S. Treasury bond for one year, ignoring coupons, assuming no change in the yield curve. Total carry is the sum of Yield Spread and Roll Return.*



# Futures Yield Strategy Portfolio Construction

The Futures Yield strategy applies a systematic process that rebalances daily.

---

## Step 1. Calculate Futures Yield (Carry) Scores

Each day, the futures yield (carry) of each market in the investable universe is calculated using a process designed to capture the unique attributes of each index. Carry scores are normalized against historical average levels.

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## Step 2. Balance Risk and Reward – Determine Portfolio Weights

Using carry scores and covariance estimates, portfolio weights and directions (i.e. long or short) are optimized to maximize the portfolio's aggregate risk-adjusted carry score.

---

## Step 3. Risk Stabilization – Apply Volatility Target

Portfolio weights are re-scaled to target a constant annualized volatility of 10%.

### Asset Classes

Equities, Bonds,  
Commodities, Currencies

### Rebalance Frequency

Daily

### Inputs

Futures yield (carry) and  
covariance estimates

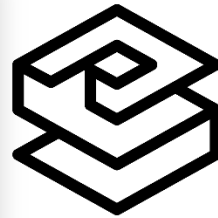
### Optimization

Maximize risk-adjusted  
futures yield (carry)

### Risk Target

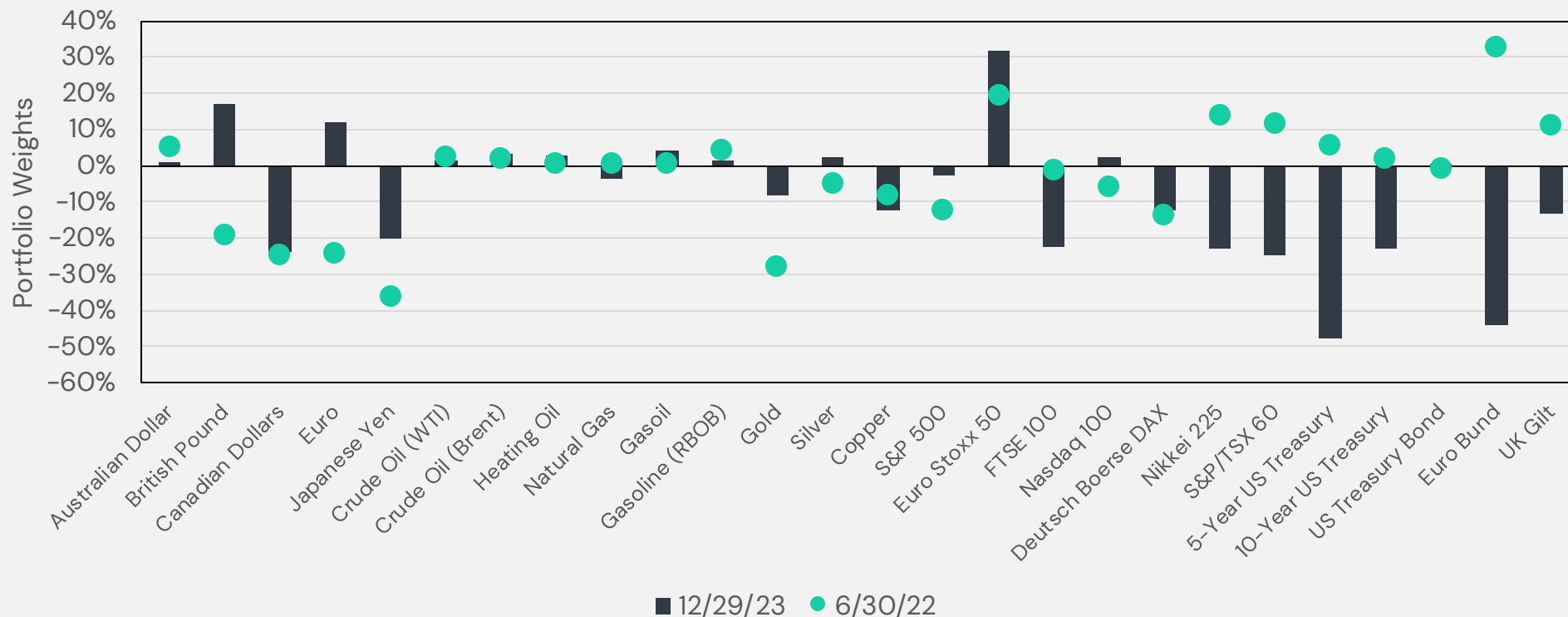
10% Annualized Volatility

*For illustrative purposes only. Exact methodology may differ and is subject to change over time.*



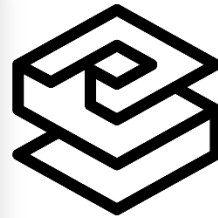
# Hypothetical Portfolio Weights

Futures Yield (Carry) strategies dynamically adapt to market conditions, going long and short different markets based upon their relative carry and diversification properties.



*For illustrative purposes only.*



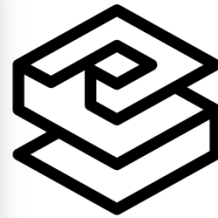


# Futures Investment Universe

The Futures Yield strategy invests across 26 highly liquid, exchange-traded futures markets, selected to capture robust cross-section of global assets.

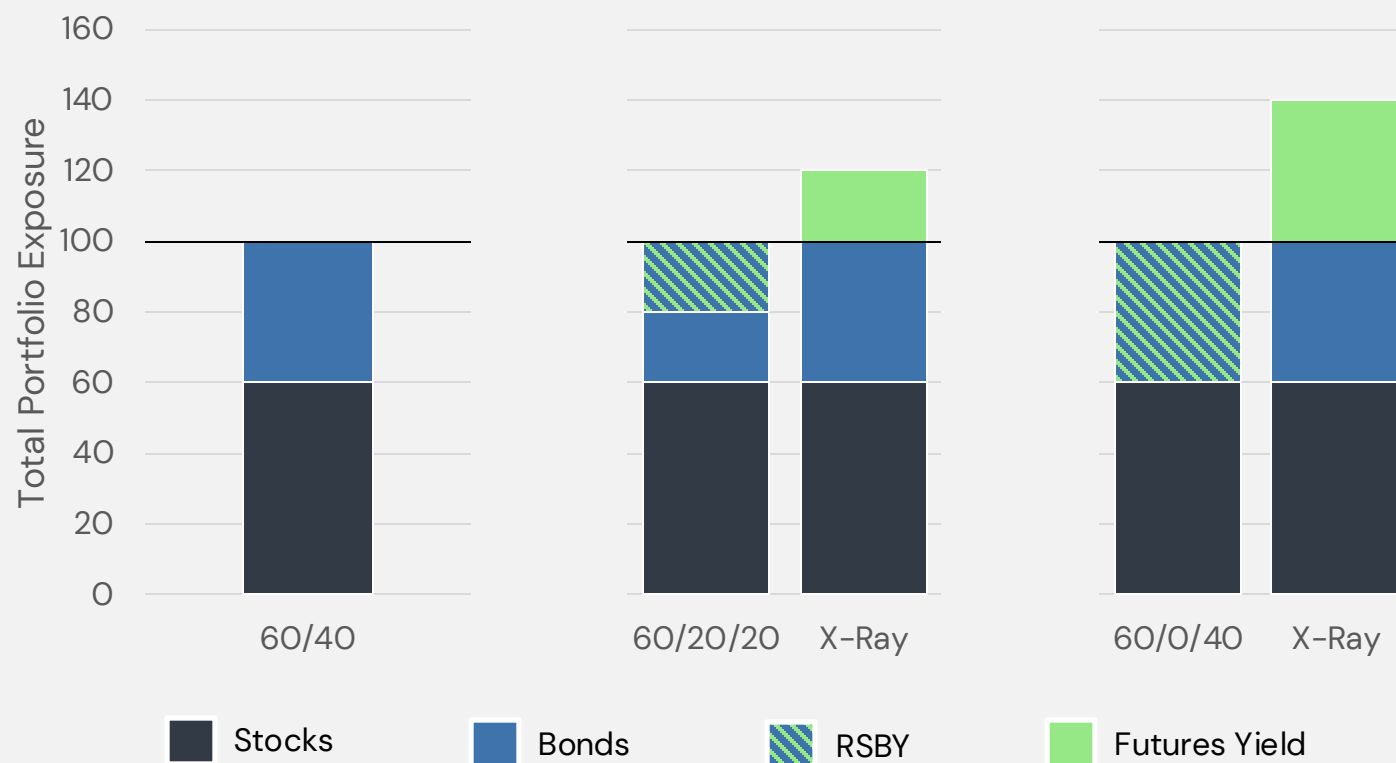
<b>Equities</b>	<b>Bonds</b>	<b>Currencies</b>	<b>Commodities</b>
S&P 500	5-Year US Treasury	Australian Dollar	Crude Oil (WTI)
Nasdaq 100	10-Year US Treasury	Canadian Dollar	Crude Oil (Brent)
S&P/TSX 60	US Treasury Bond	British Pound	Heating Oil
FTSE 100	Euro Bund	Euro	Gasoline (RBOB)
Deutsch Boerse DAX	UK Gilt	Japanese Yen	Natural Gas
Euro Stoxx 50			Gasoil
Nikkei 225			Gold
			Silver
			Copper

*Please see glossary for market definitions.*



# RSBY – A Capital Efficient Building Block

Replacing core U.S. fixed income exposure with RSBY allows investors to introduce a futures yield strategy as an overlay to their strategic portfolio. The size of the allocation determines the size of the overlay.



*For illustrative purposes only. 60/40 is 60% Stocks / 40% Bonds. 60/20/20 is 60% Stocks / 20% Bonds / 20% RSBY. 60/0/40 is 60% Stocks / 0% Bonds / 40% RSBY. Capital efficiency refers to the ability for an investment to provide exposure to a particular asset class or strategy while using fewer assets. The composition of RSBY is illustrative of the Fund's target allocation. Stocks are any equity exposure. Bonds are broad-based U.S. fixed income (individual securities or ETFs) and/or Treasury futures. "X-Ray" provides an approximate look-through asset allocation profile of the respective portfolio.*

# RSBY – Review

**Objective:** Long-term capital appreciation.

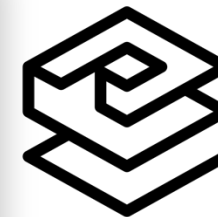
**Strategy:** For every \$1 invested, the ETF seeks to provide \$1 of exposure to its Bond strategy and \$1 of exposure to its Futures Yield strategy

**Bond Strategy:** Seeks to broadly replicate broad-based U.S. fixed income exposure using a mixture of individual securities, ETFs, Treasuries, and/or Treasury futures

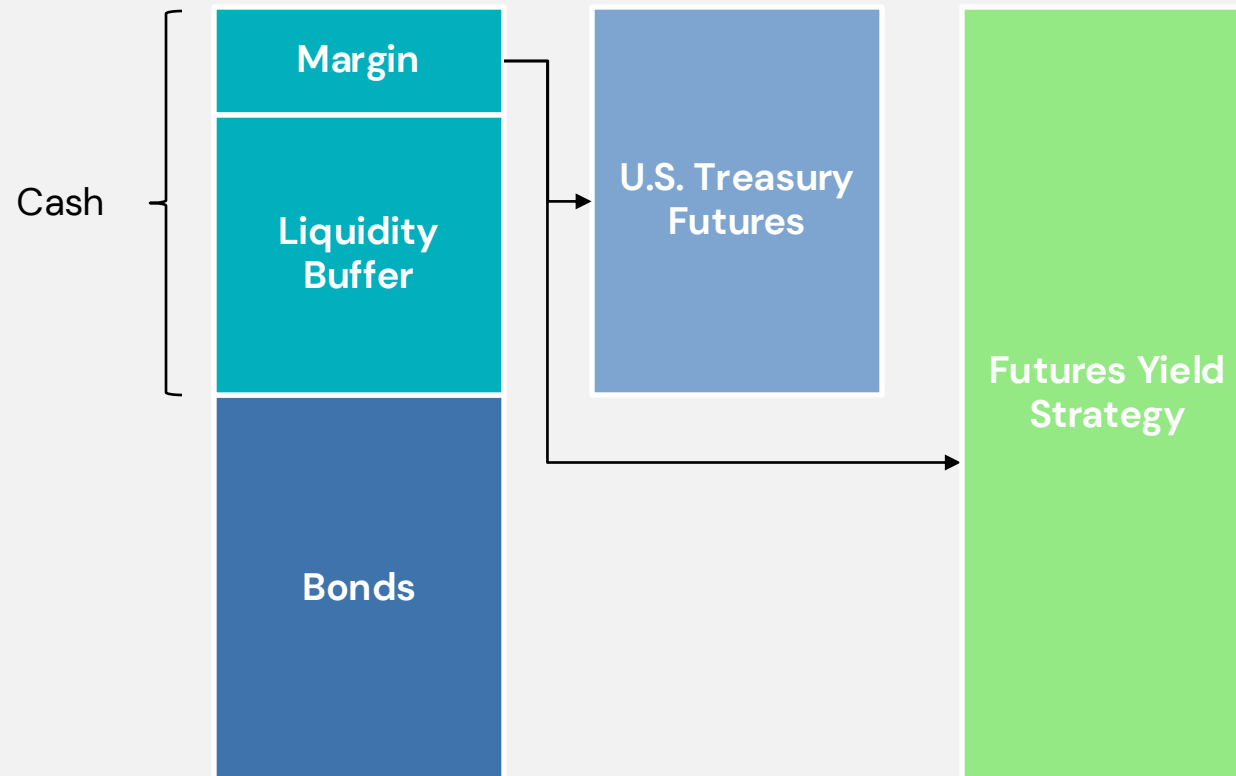
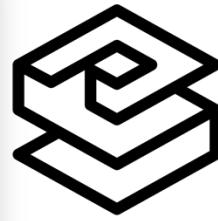
**Futures Yield Strategy:** The Futures Yield strategy seeks to profit by going long futures with higher implied yields and short futures with lower implied yields.

**Rebalance Frequency:** Daily

**Distribution Frequency:** Monthly

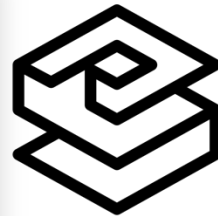


# RSBY Portfolio Structure



*For illustrative purposes only. Bonds are broad-based U.S. fixed income (individual securities or ETFs), and/or Treasuries. Treasury Futures ladder is exposure to any of 2-, 5-, 10-, and US Long Bond Treasury futures. "Cash" is money market funds and/or a ladder of short-term U.S. Treasury Bills.*

# Glossary



**S&P 500 Index** is an abbreviation for the Standard & Poor's 500, a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S.

**Bloomberg US Aggregate Bond Index** is an index that covers the broad U.S. investment grade, US dollar-denominated, fixed-rate taxable bond market.

**Société Générale Trend Index** is designed to track the largest trend following commodity trading advisors ("CTAs") in the managed futures space net of underlying fees. The index does not represent the entire universe of all CTAs. Actual rates of return may be significantly different and more volatile than those of the index

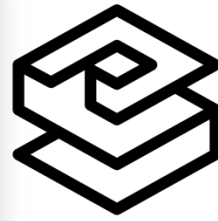
**Euro Bund** is a long-term bond issued by the Federal Republic of Germany, the Republic of Italy, the Republic of France, or the Swiss Federation.

**UK Gilt** is a UK Government liability in sterling.

**WTI** is West Texas Intermediate and is the benchmark for the U.S. light oil market, sourced from U.S. fields.

**Brent** is the benchmark used for the light oil market in Europe, Africa, and the Middle East, originating from oil fields in the North Sea between the Shetland Islands and Norway.

**RBOB** stands for Reformulated Blendstock for Oxygenated Blending, a component that is used to create formulated gasoline.



# Contact Us

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