Introduction

We introduced the Return Stacked® suite of ETFs in 2023 with a single goal in mind: to help investors better unlock the benefits of diversification through a series of capital efficient building blocks. We believe that the prudent application of leverage can allow investors to retain their core stock and bond exposures while introducing additional, potentially diversifying return streams. As such, each ETF in the suite follows a similar design: providing $2 of exposure for every $1 invested.

We're proud to have introduced three new ETFs to the market this year and, as of December 31st, the suite eclipsed $120 million in assets under management ("AUM").

	Name	**Ticker**	**Base**	**Stack**	**Launch Date**	**AUM (Millions)**
Capital Efficient Solutions	Global Stocks & Bonds	RSSB	Global Stocks	U.S. Treasuries	12/4/2023	$39.3
Pre-Stacked Alternatives	Bonds & Managed Futures	RSBT	U.S. Bonds	Managed Futures	2/7/2023	$45.0
	U.S. Stocks & Managed Futures	RSST	U.S. Stocks	Managed Futures	9/5/2023	$37.8

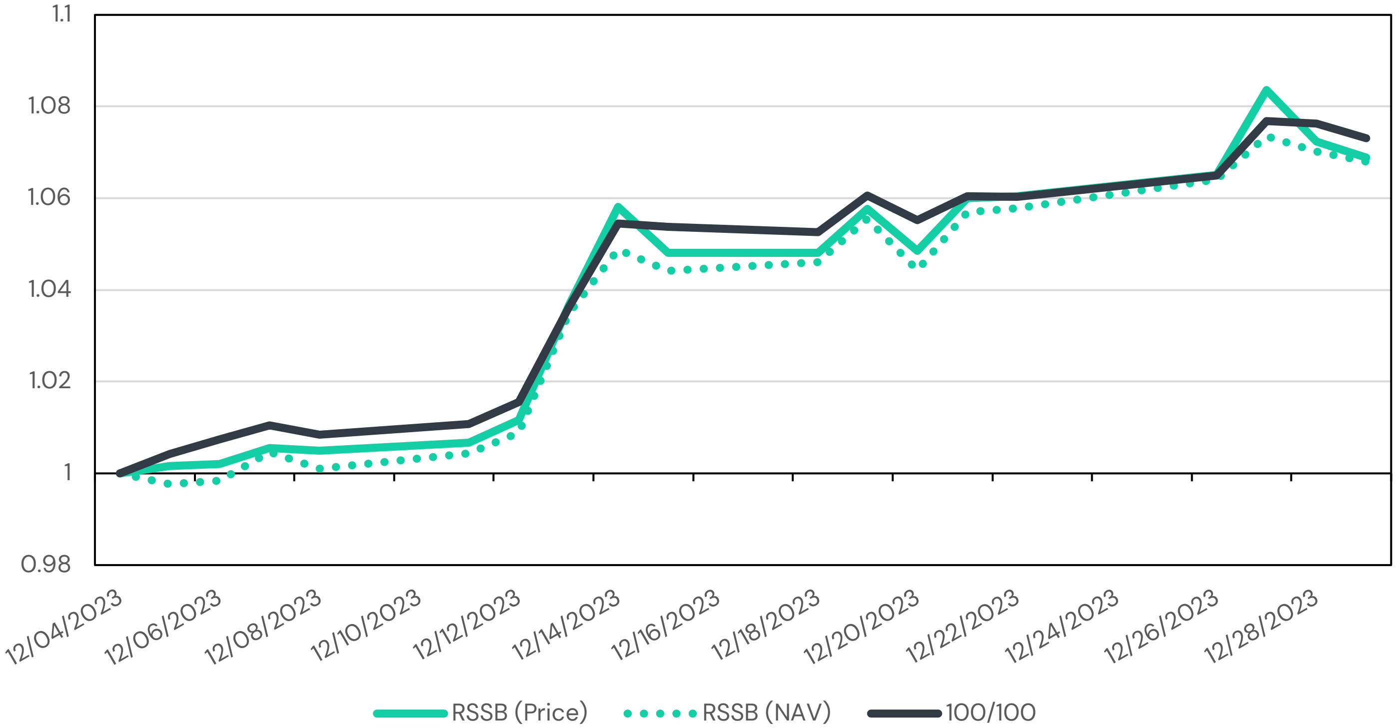
AUM as of 12/31/2023.

Return Stacked® Global Stocks & Bonds (RSSB)

The aim of the Return Stacked® Global Stocks & Bonds ETF (RSSB) is to provide $1 of exposure to a global equity strategy and $1 of exposure to U.S. Treasury strategy for every $1 invested. The global equity strategy aspires to match market-capitalization weighted global equity markets and the U.S. Treasury strategy is engineered as an equal-weight ladder of 2-, 5-, 10-, and U.S. long bond Treasury futures.

Given the Fund's launch on December 4th, there is little to comment on from a performance perspective at this time. Figure 1 plots the returns of the ETF versus a 100% Global Equity / 100% US Treasury portfolio.

Figure 1: Performance Since Inception



Source: Bloomberg. Global Stocks is the FTSE All World Index (FTAW01). U.S. Treasuries is the Bloomberg U.S. Treasury Total Return Unhedged Index (LUATTRUU). U.S. T-Bills is the Bloomberg Short Treasury Total Return Index Value Unhedged Index (LD12TRUU). 100/100 is 100% Global Stocks / 100% U.S. Treasuries / -100% U.S. T-Bills, rebalanced daily. Index returns are hypothetical. You cannot invest in an index. Returns assume the reinvestment of all distributions. Past performance is not indicative of future returns. Please see glossary at the end of this commentary for index definitions. Period is December 4, 2023 through December 31, 2023.

Return Stacked® Bonds & Managed Futures (RSBT) and Return Stacked® U.S. Stocks & Managed Futures (RSST)

The aim of the Return Stacked® Bonds & Managed Futures ETF (RSBT) is to provide $1 of exposure to a bond strategy and $1 of exposure to a managed futures strategy for every $1 invested. The bond strategy is designed in an effort to match the broad U.S. bond market and the managed futures strategy is engineered in an effort to replicate the excess returns of the Société Générale Trend Index (NEIXCTAT).

Similarly, the aim of the Return Stacked® U.S. Stocks & Managed Futures ETF (RSST) is to provide $1 of exposure to a U.S. equity strategy and $1 of exposure to a managed futures strategy for every $1 invested. The U.S. equity strategy attempts to track large-cap U.S. equities, while the managed futures strategy seeks to replicate the excess returns of the Société Générale Trend Index (NEIXCTAT).

The funds are designed to allow investors and allocators to introduce managed futures into their portfolio without having to sacrifice core stock and bond exposure. By selling U.S. equity exposure and buying RSST, or selling fixed income and buying RSBT, an investor has the opportunity to retain similar long-term stock and bond returns while adding the potential diversification and return stream of managed futures. In effect, when used this way, the funds allow investors to "stack" managed futures on top of their existing portfolio.

Performance

Given the significant degrees of freedom that govern the design of managed futures strategies, the category is notorious for performance dispersion among its managers. Our goal in implementing a replication-based approach is to try to provide "index-like" exposure to the category, reducing single-manager dispersion risk.

The question to ask is, "in practice, how well have the strategies tracked their targets?" Our expectation is that the managed futures strategy will be responsible for most of each fund's tracking error, so we will focus our analysis there.

The Managed Futures strategy trades 27 futures contracts (including equity, bond, currency, and commodity markets) and employs two different approaches in trying to replicate NEIXCTAT:

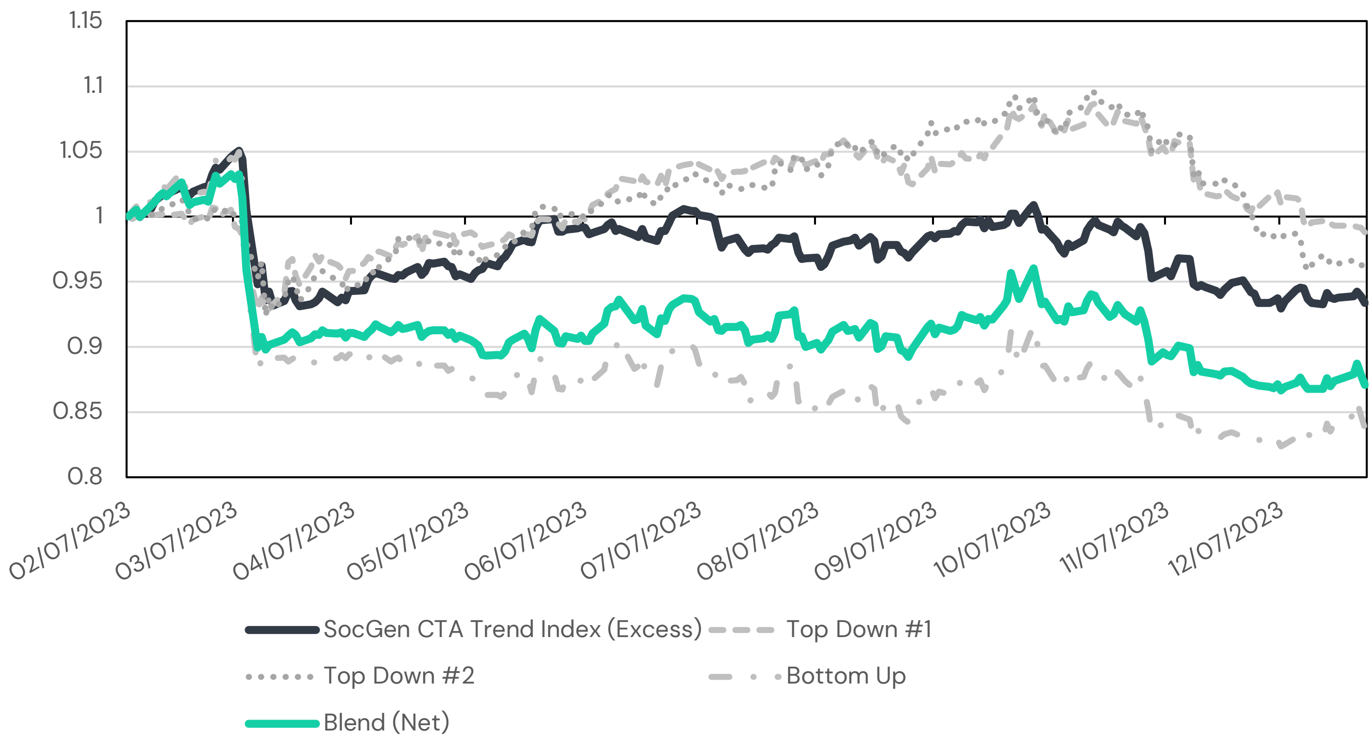
1. **Top-Down:** A regression-based approach that seeks to identify the portfolio of futures contracts that would have replicated the recent returns of NEIXCTAT. The top-down approach is implemented two ways: with a constrained 9-contract universe as well as the full 27-contract universe.

2. **Bottom-Up:** A trend-following model parameterized such that it has historically provided a high degree of fit to the NEIXCTAT.

The top-down approach tries to replicate returns while the bottom-up approach tries to replicate process. We blend these two approaches to arrive at our target weights.

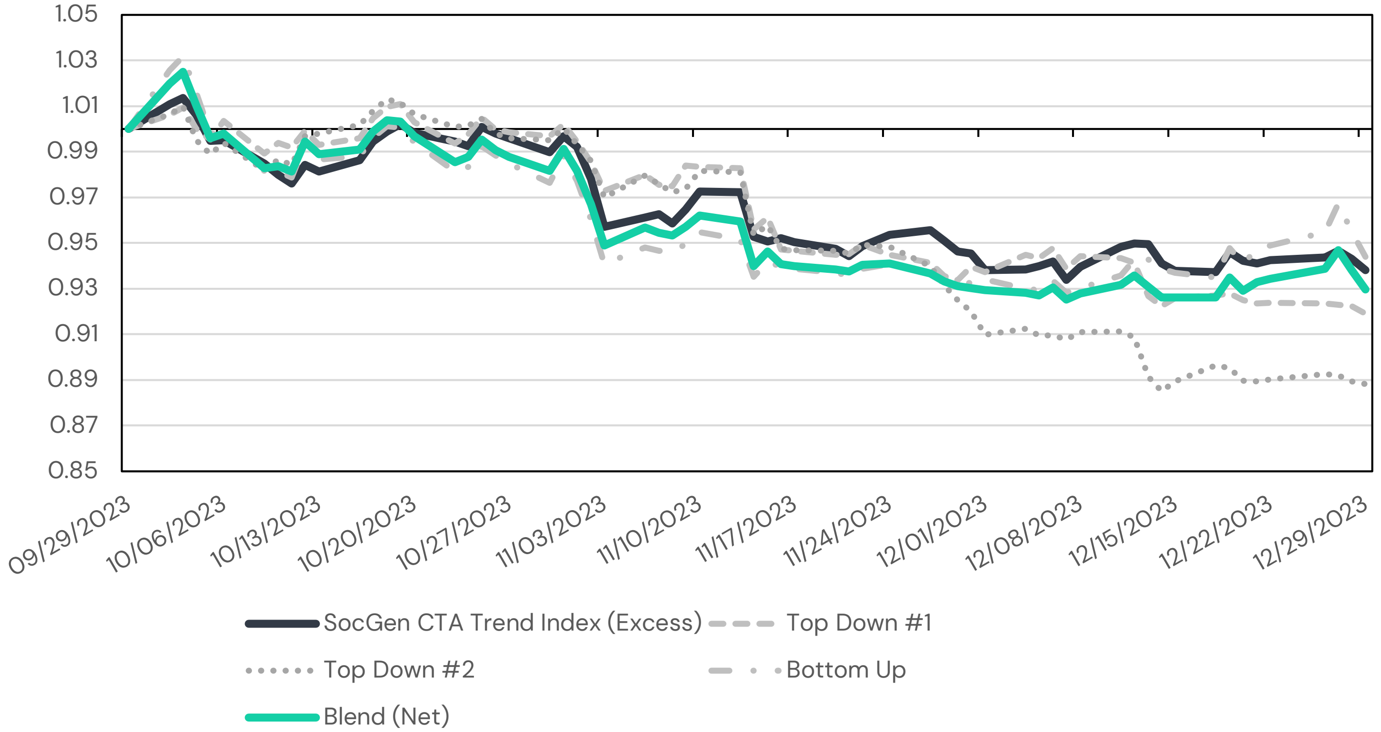
In Figure 2 we plot the results of each approach since RSBT's inception (the older of the two funds) and in Figure 3 we plot the results in Q4 2023.

Figure 2: Managed Futures Program Model Returns Since Inception



Source: Bloomberg; ReSolve Asset Management SEZC (Cayman). Calculations by Newfound Research. Top Down #1, Top Down #2, Bottom Up, and Blend (Net) are the hypothetical model returns of replication strategies implemented in RSBT and RSST. Blend (Net) is a 15% Top Down #1 / 15% Top Down #2 / 70% Bottom Up portfolio rebalanced daily, net of estimated trading costs and a 0.95% annual expense ratio. SocGen Trend Index (Excess Return) is the Société Générale Trend Index (NEIXCTAT) minus the Bloomberg Short Treasury Total Return Index Value Unhedged Index (LD12TRUU). Returns assume the reinvestment of all distributions. Returns of NEIXCTAT are net of underlying fees. Index returns are hypothetical. You cannot invest in an index. Past performance is not indicative of future returns. Please see glossary at the end of this commentary for index definitions. Period is March 7, 2023 through December 31, 2023. This material is for illustrative purposes only and is not meant to reflect the actual investment in the RSBT or RSST ETFs.

Figure 3: Managed Futures Program Model Returns in Q4 2023



Source: Bloomberg; ReSolve Asset Management SEZC (Cayman). Calculations by Newfound Research. Top Down #1, Top Down #2, Bottom Up, and Blend (Net) are the hypothetical model returns of replication strategies implemented in RSBT and RSST. Blend (Net) is a 15% Top Down #1 / 15% Top Down #2 / 70% Bottom Up portfolio rebalanced daily, net of estimated trading costs and a 0.95% annual expense ratio. SocGen Trend Index (Excess Return) is the Société Générale Trend Index (NEIXCTAT) minus the Bloomberg Short Treasury Total Return Index Value Unhedged Index (LD12TRUU). Returns assume the reinvestment of all distributions. Returns of NEIXCTAT are net of underlying fees. Index returns are hypothetical. You cannot invest in an index. Past performance is not indicative of future returns. Please see glossary at the end of this commentary for index definitions. Period is September 30, 2023 through December 31, 2023. This material is for illustrative purposes only and is not meant to reflect the actual investment in the RSBT or RSST ETFs.

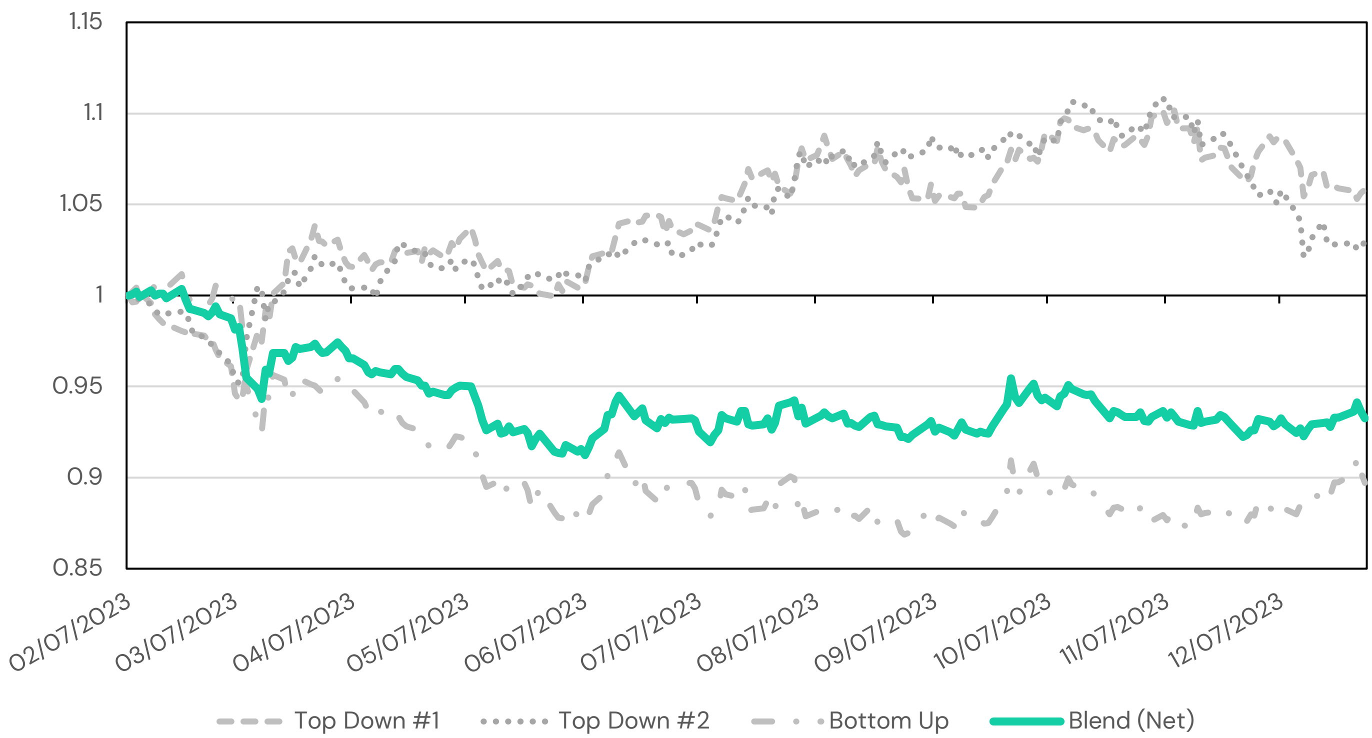
We estimate that the program has realized a daily correlation to NEIXCTAT of 0.86 since inception. The Top Down #1, Top Down #2, and Bottom-Up sub-components have realized daily correlations of 0.69, 0.73, and 0.82, highlighting the benefit we can achieve in blending the three models together.

Notably, while the Top Down #1 strategy delivered the highest return since inception, it did so with the highest tracking error relative to the NEIXCTAT benchmark. Conversely, the bottom-up strategy delivered the highest correlation but the lowest return. This highlights an important, and potentially counter-intuitive, concept about replication: absolute returns are not necessarily the best measure of success.

Rather, Top Down #1 appears to have performed best precisely because it deviated most substantially from the NEIXCTAT benchmark during a period when the benchmark struggled.

To gain a bit more visual clarity on this point, we plot the cumulative growth curves for each replication sub-strategy in Figure 2 relative to the cumulative growth in NEIXCTAT. When this ratio curve is rising, it implies the model is outperforming NEIXCTAT and when the ratio is going down it implies it is underperforming. Perfect replication would be a straight, horizontal line.

Figure 4: Relative Returns of Managed Futures Models vs NEIXCTAT



Source: Bloomberg; ReSolve Asset Management SEZC (Cayman). Calculations by Newfound Research. Calculations by Newfound Research. The plot shows the ratio of the model equity curves in Figure 2 versus the equity curve of NEIXCTAT in Figure 2. Period is March 7, 2023 through December 31, 2023.

We can see that the relative return for Blend (Net) has been largely flat since May, suggesting that our models have tracked NEIXCTAT closely. (For a longer discussion on the model's initial underperformance, please see our Q3 2023 RSBT commentary, which is available on the website or upon request.)

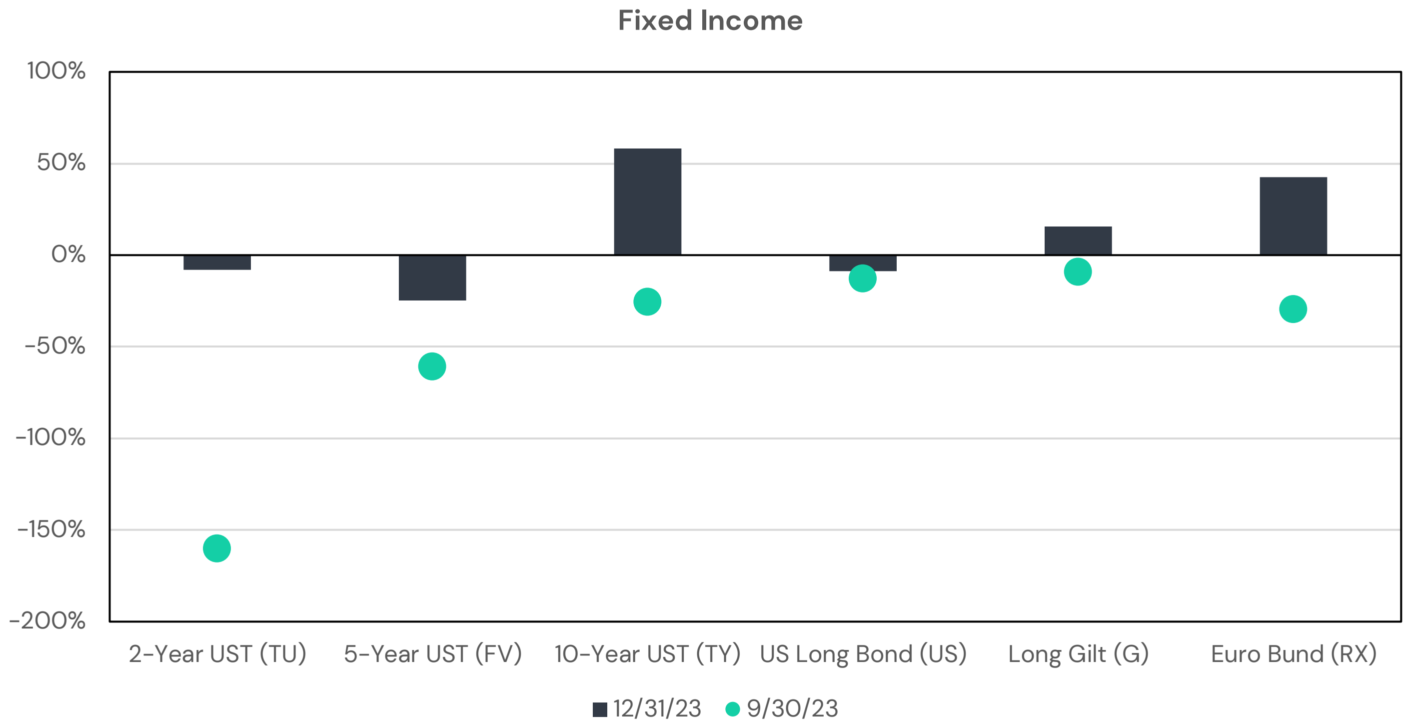
Figure 4 further highlights the potential benefits of process diversification. After May, the Top Down and Bottom-Up methodologies exhibited relative out- and underperformance at nearly offsetting times, leading to the relatively flattish Blend (Net) curve.

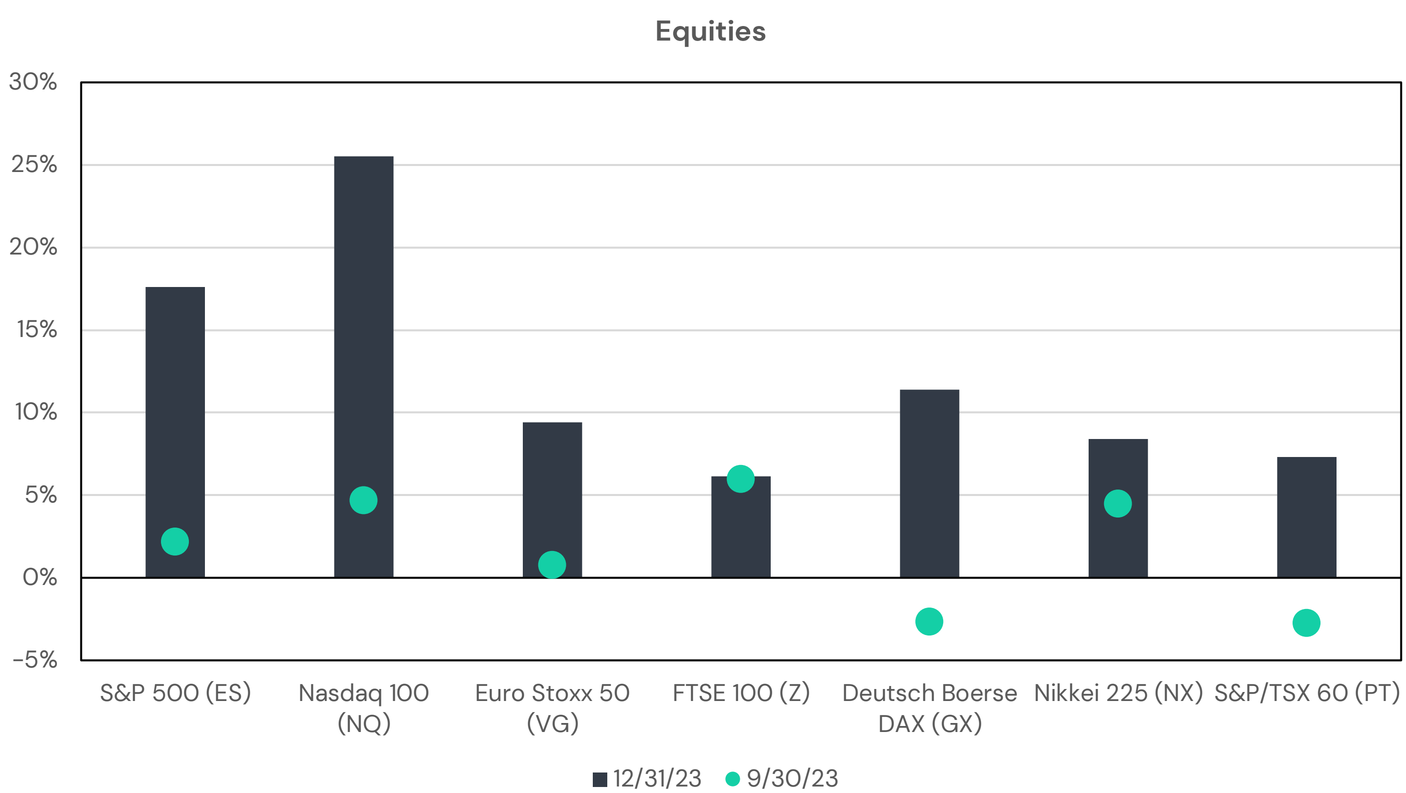
How do these deviations align with our expectations? Based upon historical simulations, the current relative returns for the Top Down #1, Top Down #2, Bottom Up, and Blend (Net) models versus NEIXCTAT fall into the 58th, 56th, 5th, and 8th percentiles for respectively. Disappointing, no doubt, but well within the range of expectations.

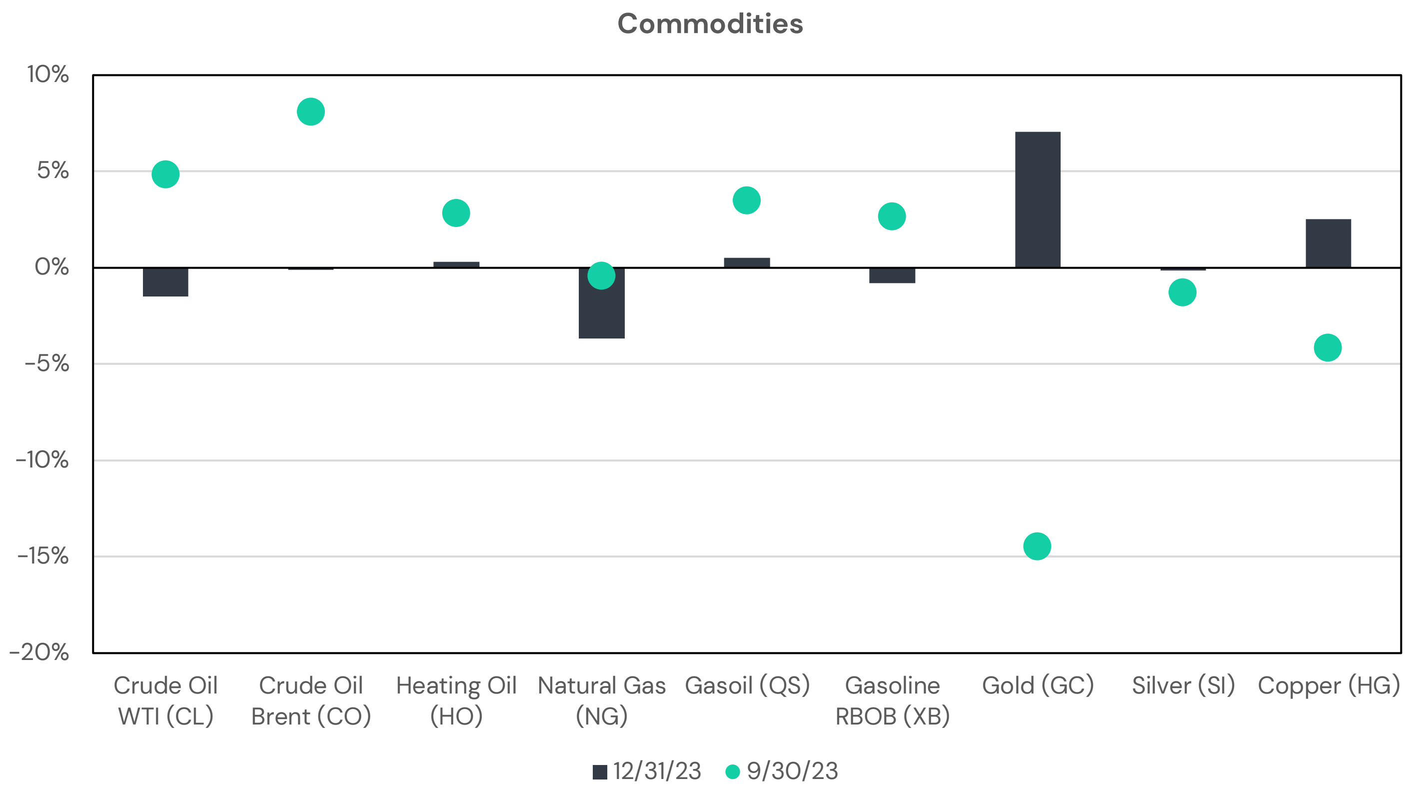
Positioning

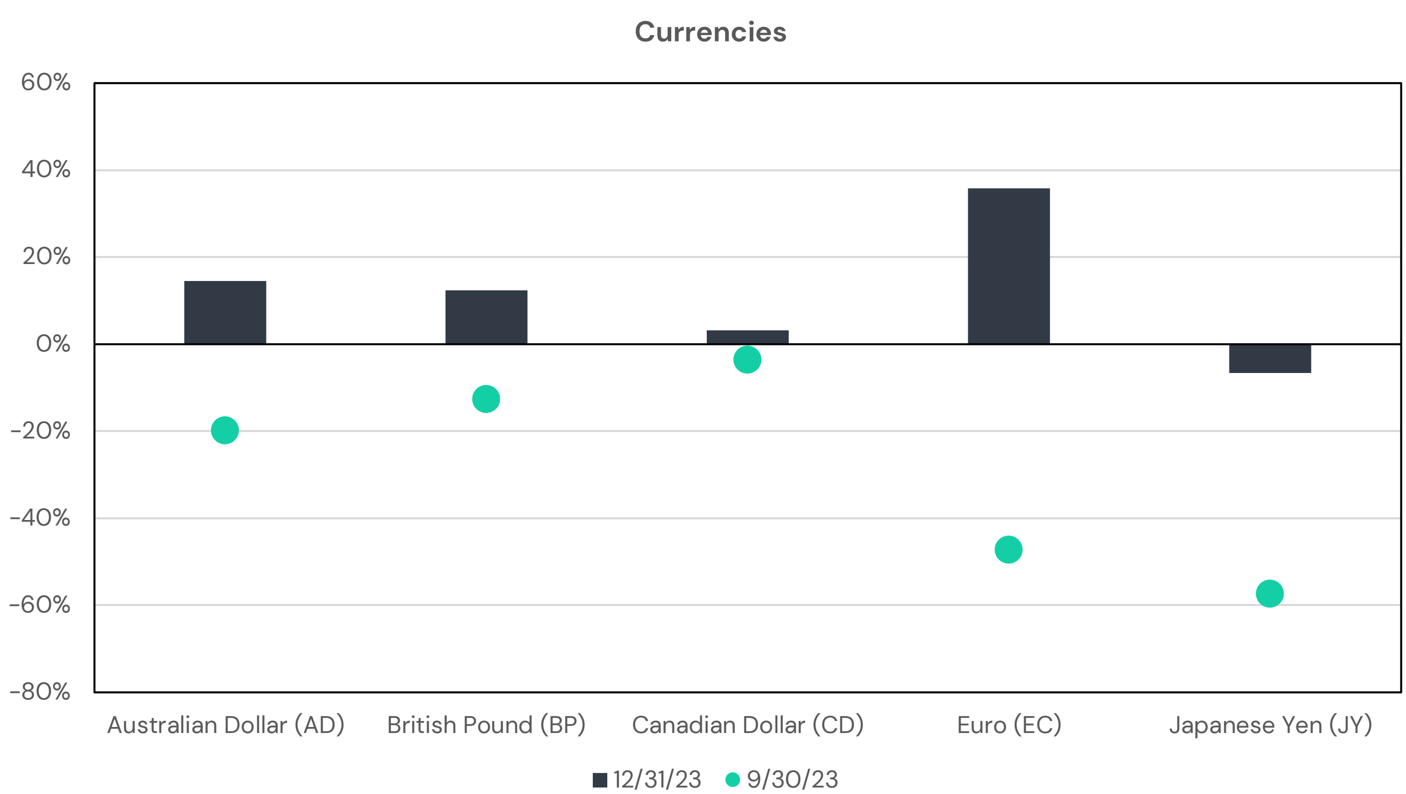
Finally, we want to address how the managed futures program reacted in Q4 2023 and how it is positioned entering Q1 2024. Figure 5 lays out model weights for the managed futures program broken into bond, equity, commodity, and currency futures.

Figure 5: Managed Futures Model Weight Changes in Q4






Commodities
10%
5%
0%
-5%
-10%
-15%
-20%
Crude Oil WTI (CL)
Crude Oil Brent (CO)
Heating Oil (HO)
Natural Gas (NG)
Gasoil (QS)
Gasoline RBOB (XB)
Gold (GC)
Silver (SI)
Copper (HG)
12/31/23
9/30/23


Currencies
60%
40%
20%
0%
-20%
-40%
-60%
-80%
Australian Dollar (AD)
British Pound (BP)
Canadian Dollar (CD)
Euro (EC)
Japanese Yen (JY)
12/31/23
9/30/23

Source: ReSolve Asset Management SEZC (Cayman). For illustrative purposes only. Weights reflect target allocations and may not reflect the actual weights held within RSBT or RSST. Holdings are subject to change.

A few important points to make before analyzing these graphs. First, the weights are not volatility adjusted. In other words, while a 150% short in 2-year US Treasury futures may appear to be substantial exposure, the *volatility* such a position contributes may actually be less than a -15% position in gold, for example. Second, these are a point-in-time snapshots of target weights. Managed futures is a dynamic strategy and these weights can shift dramatically in short order.

There were a few key trends that occurred from a positioning perspective over the quarter:

- The program moved from generally short in bond exposure to a flat-to-long position.
- The program became increasingly long global equities.
- Exposure to energy futures moved from broadly long to flat.
- Exposure in gold futures shifted from significantly short to long.
- Foreign currency exposure shifted from broadly negative (i.e. long the US dollar) to positive (i.e. short the US dollar).

Conclusion

We believe that return stacking can reshape how investors think about asset allocation, allowing them to introduce additional return streams to their existing portfolio. In doing so, we believe there is the opportunity to enhance long-term returns and improve internal diversification.

We aim to help investors achieve these ends by offering pre-stacked solutions that can serve as portfolio building blocks. RSSB is designed to provide capital efficiency, allowing investors to free up room in their portfolio. RSBT and RSST seek to provide pre-stacked alternative solutions that allow investors to retain core stock and bond allocations while introducing exposure to managed futures.

Taken together, we believe these three building blocks provide investors with tremendous flexibility in portfolio design and the ability to rethink diversification within their portfolios.

We are excited for the future of this suite and the value that Return Stacked® funds can bring to investors.

RSBT Standardized Performance

(February 7, 2023 through December 31, 2023)

	3-Month	6-Month	1-Year	3-Year	5-Year	Inception
RSBT (Price)	-1.85%	-4.59%	--	--	--	-11.75%
RSBT (NAV)	-1.00%	-4.14%	--	--	--	-11.35%
U.S. Bonds	6.82%	3.68%	--	--	--	3.60%
SG Trend Index	-5.03	-2.29%	--	--	--	-1.99%
U.S. T-Bills	1.38%	2.76%	--	--	--	4.69%
100/100	0.18%	-3.50%	--	--	--	-2.92%

Source: Bloomberg and Societe Generale. U.S. Bonds is the Bloomberg US Aggregate Total Value Unhedged USD Index (LBUSTRUU). SG Trend Index is the Société Générale Trend Index (NEIXCTAT). U.S. T-Bills is the Bloomberg Short Treasury Total Return Index Value Unhedged Index (LD12TRUU). 100/100 is 100% U.S. Bonds / 100% SG Trend Index / -100% U.S. T-Bills, rebalanced daily. Index returns are hypothetical. You cannot invest in an index. Returns assume the reinvestment of all distributions. Past performance is not indicative of future returns.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For the most recent month-end performance, please visit the Fund's website at https://www.returnstackedetfs.com/return-stacked-bonds-managed-futures/. *The market price is the final price at which a security is traded on a given trading day. Net Asset Value (NAV) is value per share on a specific date or time. Returns less than one year are cumulative.*

RSST Standardized Performance

(September 5, 2023 through December 31, 2023)

	3-Month	6-Month	1-Year	3-Year	5-Year	Inception
RSST (Price)	3.68%	--	--	--	--	1.98%
RSST (NAV)	4.01%	--	--	--	--	1.77%
U.S. Stocks	11.68%	--	--	--	--	6.60%
SG Trend Index	-5.03%	--	--	--	--	-3.69%
U.S. T-Bills	1.38%	--	--	--	--	1.75%
100/100	4.73%	--	--	--	--	1.01%

Source: Bloomberg and Societe Generale. U.S. Stocks is the S&P 500 Index (SPX). SG Trend Index is the Société Générale Trend Index (NEIXCTAT). U.S. T-Bills is the Bloomberg Short Treasury Total Return Index Value Unhedged Index (LD12TRUU). 100/100 is 100% U.S. Bonds / 100% SG Trend Index / -100% U.S. T-Bills, rebalanced daily. Index returns are hypothetical. You cannot invest in an index. Returns assume the reinvestment of all distributions. Past performance is not indicative of future returns.

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RSSB Standardized Performance

(December 4, 2023 through December 31, 2023)

	3-Month	6-Month	1-Year	3-Year	5-Year	Inception
RSSB (Price)	--	--	--	--	--	6.89%
RSSB (NAV)	--	--	--	--	--	6.80%
Global Stocks	--	--	--	--	--	4.78%
U.S. Treasuries	--	--	--	--	--	2.84%
U.S. T-Bills	--	--	--	--	--	0.41%
100/100	--	--	--	--	--	7.31%

Source: Bloomberg. Global Stocks is the FTSE All World Index (FTAW01). U.S. Treasuries is the Bloomberg U.S. Treasury Total Return Unhedged Index (LUATTRUU). U.S. T-Bills is the Bloomberg Short Treasury Total Return Index Value Unhedged Index (LD21TRUU). 100/100 is 100% Global Stocks / 100% U.S. Treasuries / -100% U.S. T-Bills, rebalanced daily. Index returns are hypothetical. You cannot invest in an index. Returns assume the reinvestment of all distributions. Past performance is not indicative of future returns.

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Glossary

Bloomberg Short Treasury Total Return Index Value Unhedged Index *is an index that covers U.S. Treasury Bills between 1-to-3 months in maturity.*

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

Bloomberg U.S. Treasury Total Return Unhedged Index *is an index that covers broad U.S. Treasury Bills, Notes, and Bonds.*

FTSE All World Index *is a market-capitalization weighted index representing the performance of large and mid-cap stocks from developed and emerging markets, covering 90-95% of the investable market capitalization.*

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.*

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.*

Important Disclosures

Investors should carefully consider the investment objectives, risks, charges and expenses of the Return Stacked® ETFs. This and other important information about the ETFs is contained in their prospectuses, which can be obtained by calling 1-310-498-7655 or clicking here. The prospectuses should be read carefully before investing.

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 Funds' Cayman Subsidiaries, the Funds are indirectly exposed to the risks associated with the Subsidiaries' investments. The futures contracts and other investments held by the Subsidiaries are subject to the same economic risks that apply to similar investments if held directly by the Fund. The Subsidiaries are not registered under the 1940 Act, and, unless otherwise noted in the Funds' Prospectus, are not subject to all the investor protections of the 1940 Act. **Bond Risk:** The Funds will be subject to bond and fixed income risks through their 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 Funds (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 registered investment companies (RIC), the Funds 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 Funds from certain commodity-linked derivatives, including income from the Funds' investments in the Subsidiary, were treated as non-qualifying income, the Funds 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 Funds' use of such derivative instruments. **Commodity Pool Regulatory Risk:** The Funds' investment exposure to futures instruments will cause it to be deemed to be a commodity pool, thereby subjecting the Funds to regulation under the Commodity Exchange Act and the Commodity Futures Trading Commission rules. Because the Funds are subject to additional laws, regulations, and enforcement policies, they may have increased compliance costs which may affect the operations and performance of the Funds. **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 Funds' investment in that issuer. **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. **Equity Market Risk:** By virtue of the Funds' investments in equity securities, equity ETFs, and equity index futures agreements, the Funds are exposed to equity securities both directly and indirectly which subjects the Funds to equity market risk. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from specific issuers. Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests. **Foreign and Emerging Markets Risk:** Foreign and emerging market investing involves currency, political and economic risk. **Leverage Risk:** As part of the Funds' principal investment strategies, the Funds 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 Funds are non-diversified, meaning that they are permitted to invest a larger percentage of its assets in fewer issuers than diversified funds. **Underlying ETFs Risk:** The Funds will incur higher and duplicative expenses because they invests in ETFs. The Funds may also suffer losses due to the investment practices of the underlying ETFs. **New Fund Risk:** The Funds are 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.*

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 Return Stacked® Bonds & Managed Futures Fund, the Return Stacked® U.S. Stocks and Managed Futures Fund, and their respective Subsidiaries.

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

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