Return Stacked®

RSSY – U.S. Stocks & Futures Yield

© Return Stacked® ETFs – 2025

January 2025

Important Disclosures

Investors should carefully consider the investment objectives, risks, charges and expenses of the Return Stacked® U.S. Stocks & Futures Yield 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® U.S. Stocks & Futures Yield ETF is distributed by Foreside Fund Services, LLC, Member FINRA. 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 and fixed income futures contracts. Changes in interest rates generally will cause the value of fixed-income and bond instruments held by Fund 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.

Equity Market Risk: By virtue of the Fund's investments in equity securities, equity ETFs, and equity index futures agreements, the Fund is exposed to equity securities both directly and indirectly which subjects the Fund 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 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 equity ETFs. The Fund may also suffer losses due to the investment practices of the underlying bond ETFs.

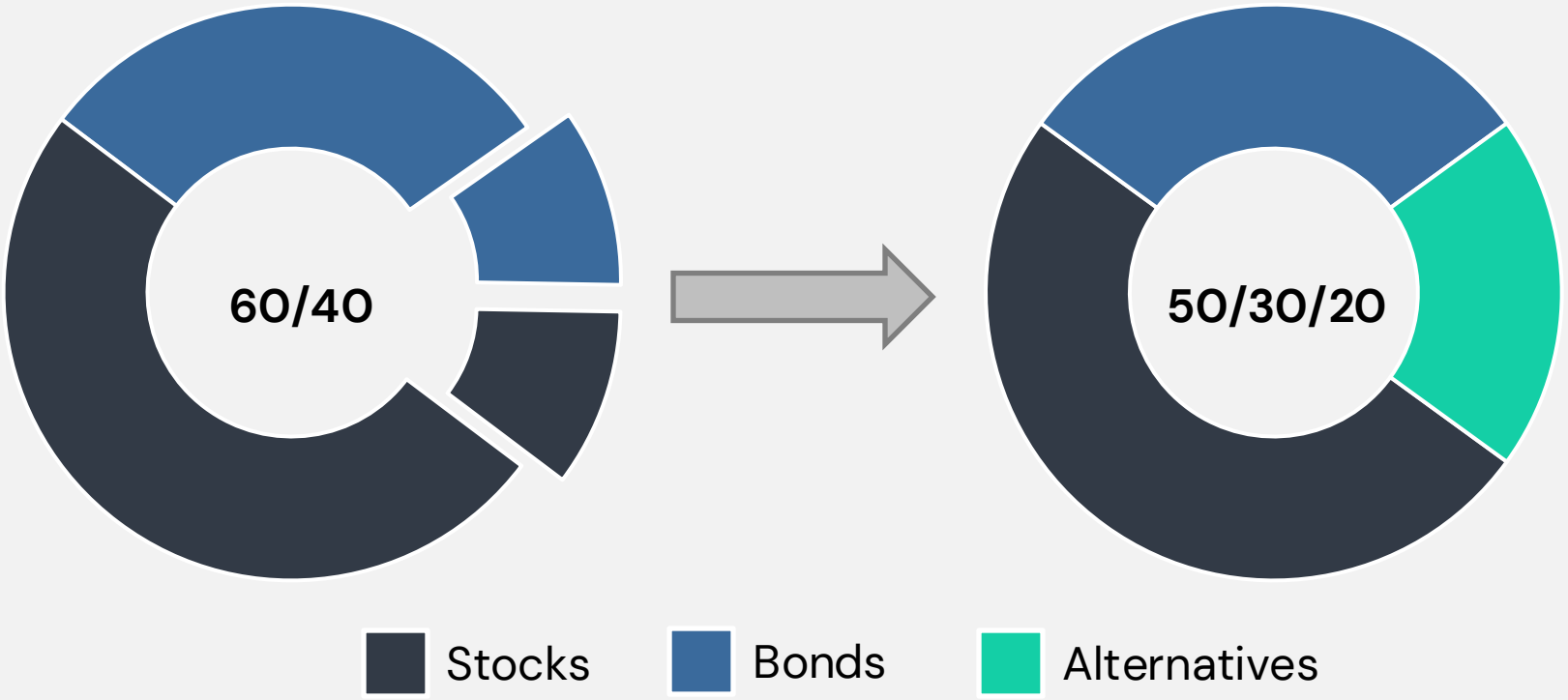
New Fund Risk: The Fund is a recently organized with no operating history. As a result, prospective investors do not have a track record or history on which to base their investment decisions.

What is Return Stacking?

THE POTENTIAL PROBLEM

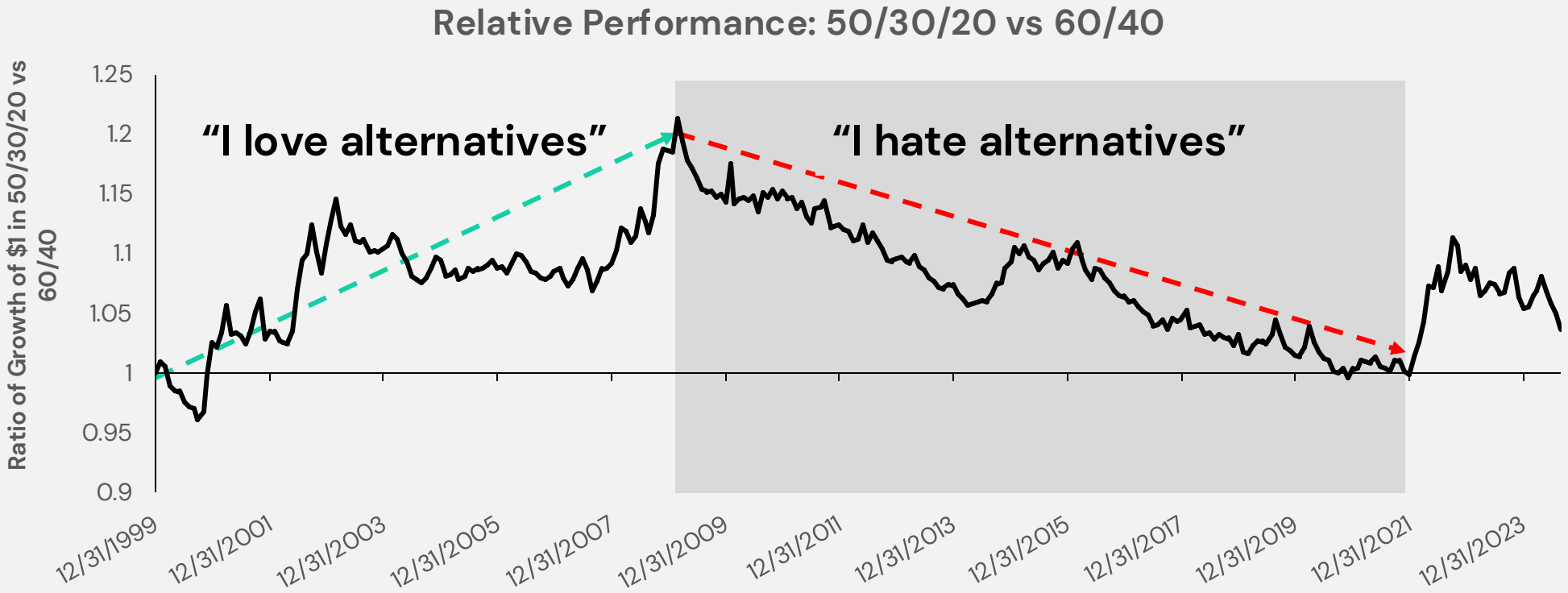
Adding Alternatives Usually Requires Sacrificing Core Stocks & Bonds

Diversification helps during difficult periods for the core portfolio but weighs on returns when alternatives underperform.



"60/40" Refers to a 60% allocation to stocks and a 40% allocation to bonds. "50/30/20" refers to a 50% allocation to stocks, a 30% allocation to bonds, and a 20% allocation to alternatives.

Making Room in a Portfolio for Diversifiers Can Lead to Behavioral Friction when Alternatives Underperform



The green line and "I love alternatives" illustrates a period where a 20% allocation to alternatives is outperforming the rest of the portfolio which could make it easier for investors to hold relative to a 60/40 portfolio. The red line, "I hate alternatives," and grayed out area represent a period where a 20% allocation to alternatives are underperforming the rest of the portfolio and hence could make it harder to hold from a behavioral perspective. Source: Bloomberg and Société Générale. 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. CTA Trend is the Société Générale Trend Index ("NEIXCTAT"). 50/30/20 is 50% U.S. Stocks / 30% U.S. Bonds / 20% CTA Trend rebalanced monthly. 60/40 is 60% U.S. Stocks / 40% U.S. Bonds rebalanced monthly. You cannot invest in an index. Returns are gross of taxes. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results. Period is 12/31/1999 through 8/31/2024. The starting date is chosen based upon the earliest date data is available for the underlying indexes.

RSSY | RETURN STACKED® U.S. STOCKS & FUTURES YIELD

OUR SOLUTION

Return Stacking

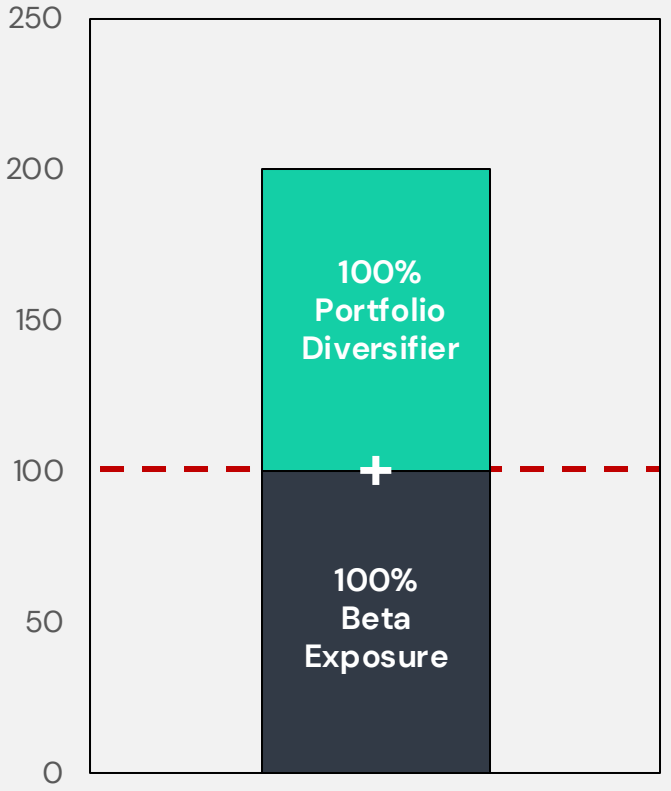
At its core, Return Stacking is the idea of layering one *diversified* return on top of a traditional asset class, achieving more than $1 of exposure for each $1 invested.

An example might include combining core betas (e.g. stocks or bonds) with a diversifier (e.g. gold or managed futures) or an alpha strategy (e.g. merger arbitrage).

Institutions have applied these concepts going back to the 1980s and Return Stacked® Funds now make them available to all investors.

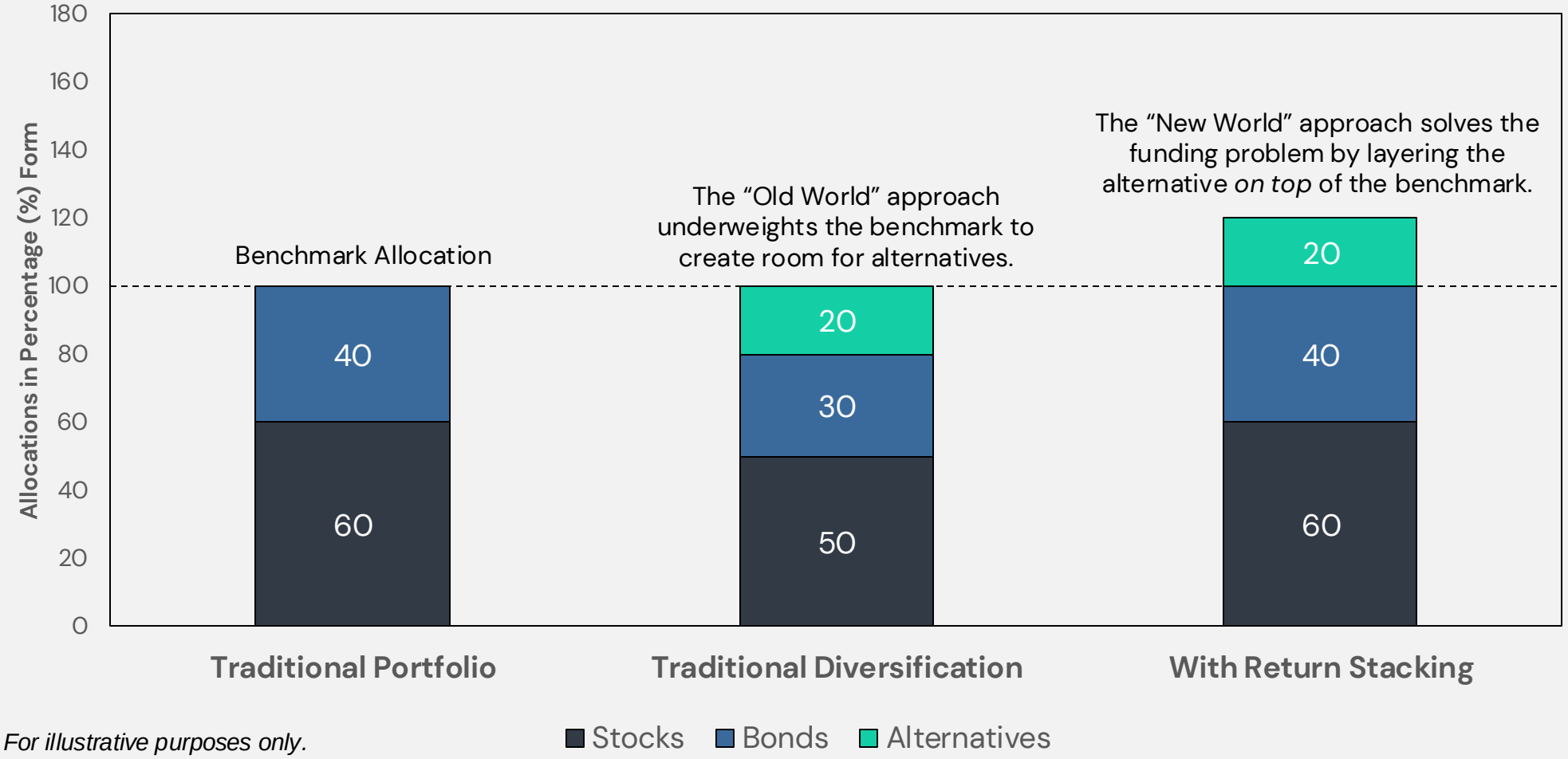
A "traditional asset class" refers to stocks and bonds.

A Return Stacked® Portfolio



For illustrative purposes only. The red line represents the cutoff between a traditional portfolio exposure and the exposure an investor may receive through a return stacked portfolio.

Return Stacking Solves The Alternative Strategy "Funding" Problem



For illustrative purposes only.

"Traditional Portfolio" represents a traditional investor's allocation to 60% stocks and 40% bonds. "Traditional Diversification" represents a traditional attempt at diversification through a 50% allocation to stocks, 30% allocation to bonds, and 20% allocation to alternatives.

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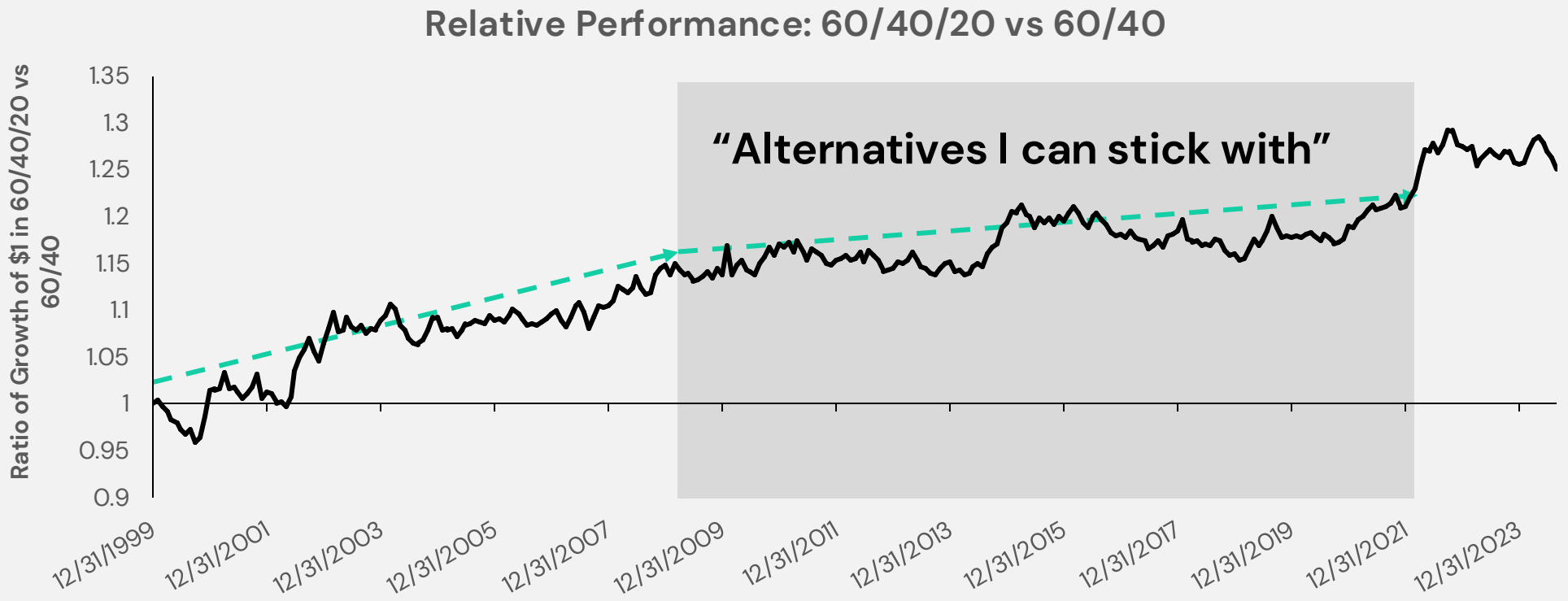
Helping To Avoid Behavioral Friction by Stacking Alternatives on Top of Traditional Allocations



The green line and "Alternatives I can stick with" depicts how stacking 20% to alternatives on top of a 60/40 portfolio exhibited more consistent, upward sloping relative performance even in the decade where managed futures did poorly relative to a 60/40 portfolio (the gray area) and hence could make it easier to hold from a behavioral perspective. Source: Bloomberg and Société Générale. 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. CTA Trend is the Société Générale Trend Index ("NEIXCTAT"), an index designed to track the largest trend following commodity trading advisors ("CTAs") in the managed futures space net of underlying fees. 60/40 is 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index rebalanced monthly. 60/40/20 is the 60/40 portfolio plus 20% in the Société Générale Trend Index minus 20% in the Bloomberg Short Treasury US Total Return Index ("LD12TRUUU"). You cannot invest in an index. Returns are gross of taxes. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results. Period is 12/31/1999 through 8/31/2024. The starting date is chosen based upon the earliest date data is available for the underlying indexes.

RSSY | RETURN STACKED® U.S. STOCKS & FUTURES YIELD

Leading To Benefits In Two Key Dimensions

Stacking for Outperformance

- Introduce additional return streams on top of your core portfolio.
- Pursue alpha sources outside of traditional security selection.

Stacking for Diversification

- Introduce return streams that can diversify, not dilute, core stock and bond positions.
- Add the potential to reduce behavioral frictions associated with diversification.

Return Stacked® U.S. Stocks & Futures Yield (RSSY)

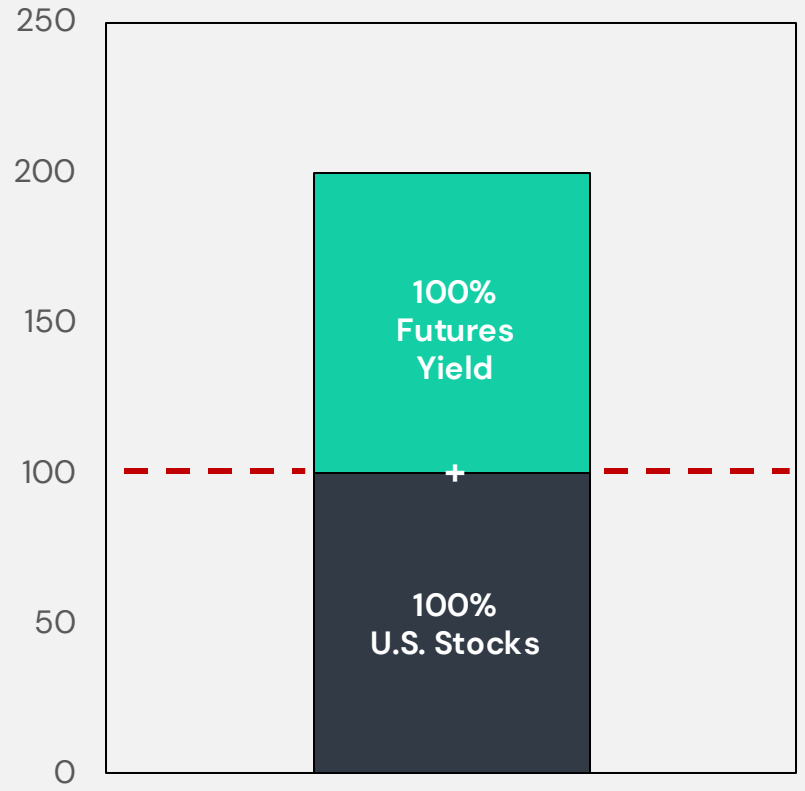
RSSY – U.S. Stocks & Futures Yield

The Fund seeks long-term capital appreciation by investing in two complementary investment strategies: a U.S. equity strategy and a futures yield strategy.

For every $1 invested, the ETF seeks to provide $1 of exposure to its U.S. Equity strategy and $1 of exposure to its Futures Yield strategy.

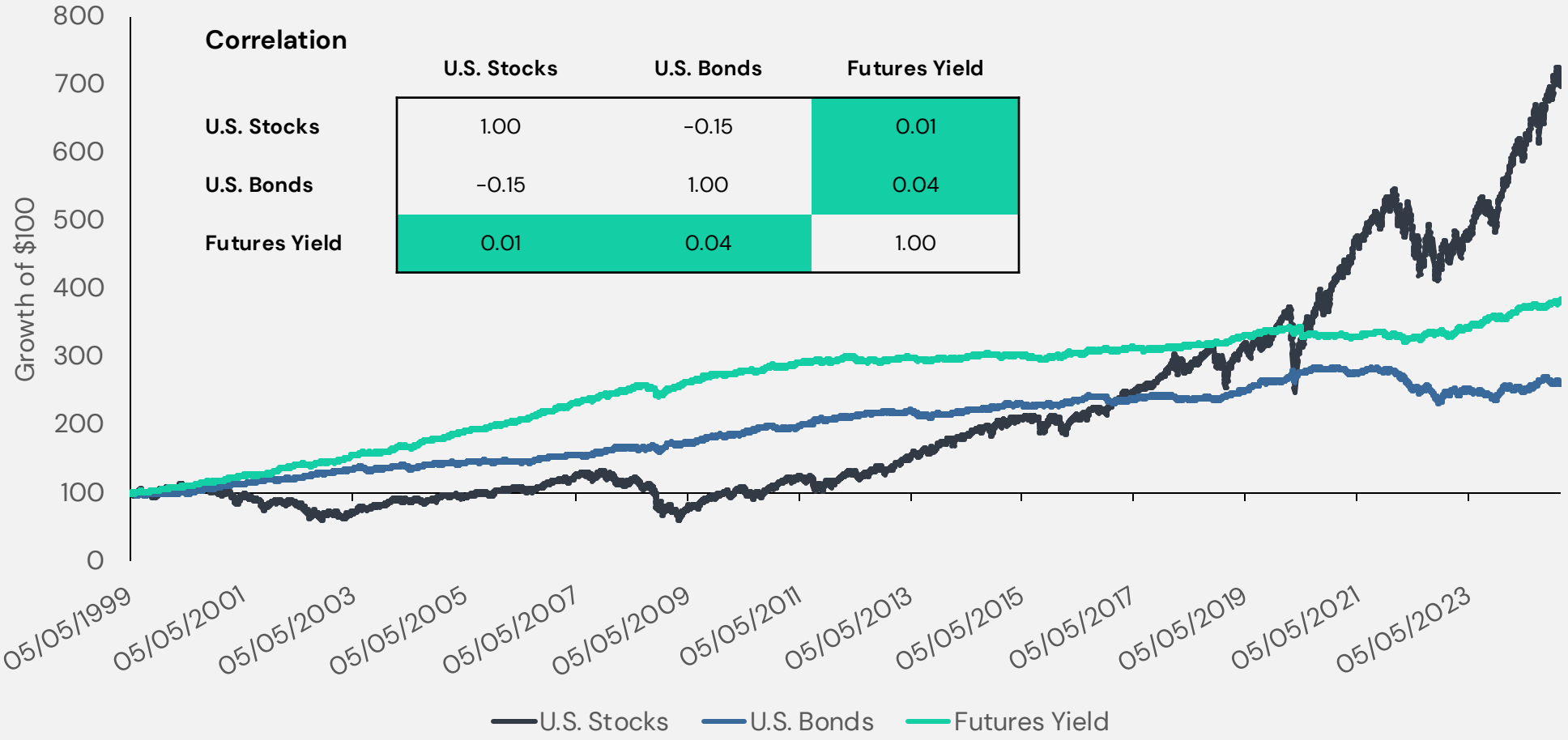
U.S. Stocks Strategy
Seeks to capture the total return of large-capitalization U.S. equities.

Futures Yield Strategy
Invests long and short across commodities, currencies, bonds, and equities via futures using a systematic process driven by measures of carry.



For illustrative purposes only.

Stocks, Bonds & Futures Yield (Carry)

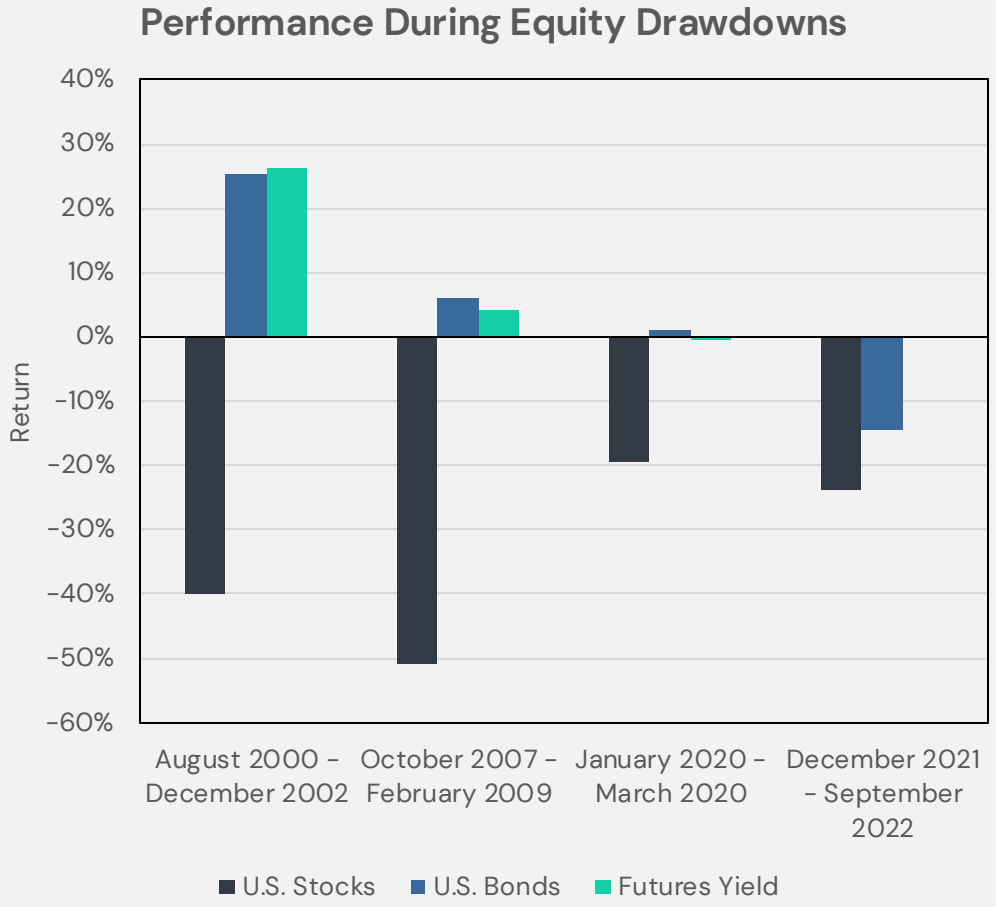


Source: Bloomberg. U.S. Stocks is the S&P 500 Total Return Index ("SPXT"). U.S. Bonds is the Bloomberg US Aggregate Bond Index ("LBUSTRUU"). Returns for both U.S. Stocks and U.S. Bonds are gross of all fees. Futures Yield is the 100% Bloomberg GSAM Cross Asset Carry Index ("BGSXAC") / 100% Bloomberg 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. Correlation is a statistical measure of how two sets of returns move in relation to each other. Correlation coefficients range from -1 to 1. A correlation of 1 means the two subjects of analysis move in lockstep with each other. A correlation of -1 means the two subjects of analysis have moved in exactly the opposite direction.

Why Futures Yield (Carry)?

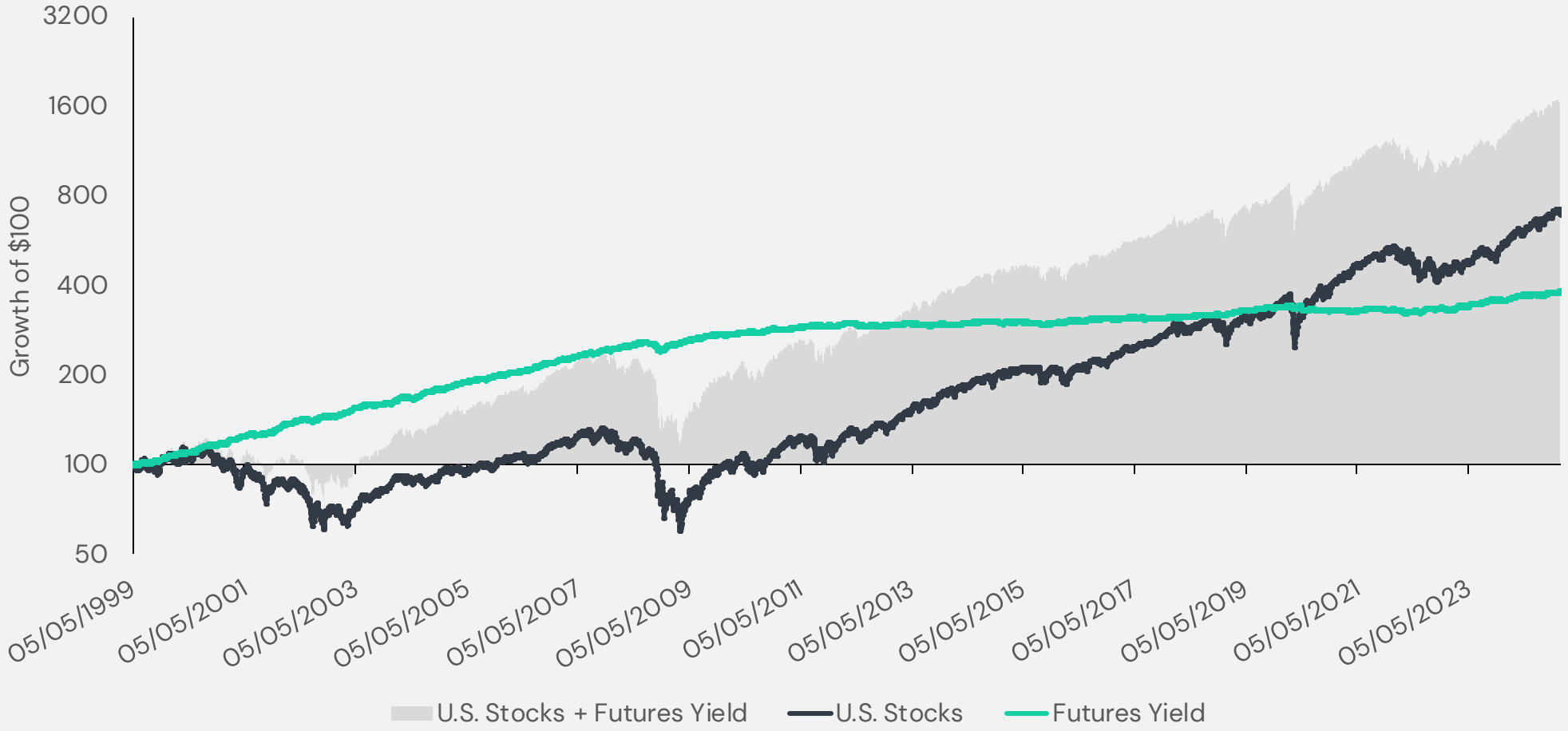
Historically, Futures Yield (Carry) has exhibited:

- 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.

Stacking U.S. Stocks & Futures Yield (Carry)

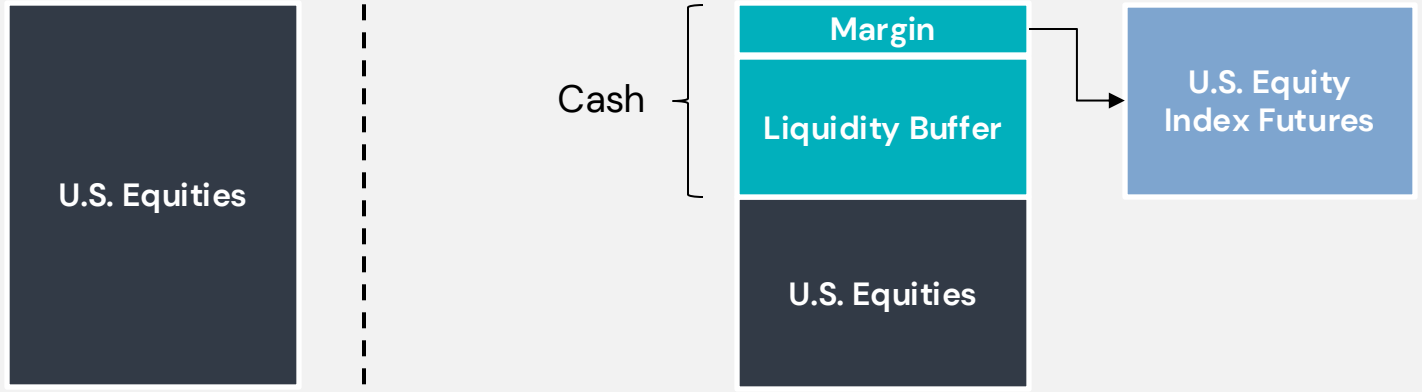


Source: Bloomberg. U.S. Stocks is the S&P 500 Index ("SPX"). Returns for U.S. Stocks is gross of all fees. Futures Yield is the 100% Bloomberg GSAM Cross Asset Carry Index ("BGSXAC") / 100% Bloomberg 1-3 Month U.S. Treasury Bill Index ("LD12TRUU") portfolio rebalanced daily. U.S. Stocks + Futures Yield is 100% U.S. Stocks / 100% Futures Yield / -100% Bloomberg Short Treasury US Total Return Index ("LD12TRUUU"). 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. Period is 12/31/1999 through 12/31/2024. The starting date is chosen based upon the earliest date data is available for the underlying indexes.

RSSY's U.S. Equity Strategy

The U.S. Equity Strategy seeks to capture the total return of large-capitalization U.S. equities using a mixture of individual securities, ETFs, and equity index futures.

To enable return stacking while achieving 100% exposure to U.S. equity, a portion of the equity strategy must be implemented with capital efficient instruments – such as equity index futures contracts – allowing the remaining capital to be used as collateral for the Futures Yield strategy.



Replace a part of the U.S. Equity allocation with cash, a portion of which is then used as margin to purchase U.S. equity index futures, reintroducing equity exposure.

For illustrative purposes only. Capital efficiency refers to the ability for an investment to provide exposure to a particular asset class or strategy while using fewer assets. U.S. Equities are U.S. equity securities, U.S. equity ETFs, and/or U.S. equity index futures. "Cash" is money market funds and/or a ladder of short-term U.S. Treasury Bills.

What is a Futures Yield (Carry) Strategy?

The returns of an asset can be decomposed into two sources: (1) price appreciation and (2) yield (sometimes called “carry”).

The second component can be loosely defined as the expected return of an investment assuming no change in its price.[1]

Futures yield (carry) strategies assume that carry is an important predictor of future returns, on both a relative and absolute basis.

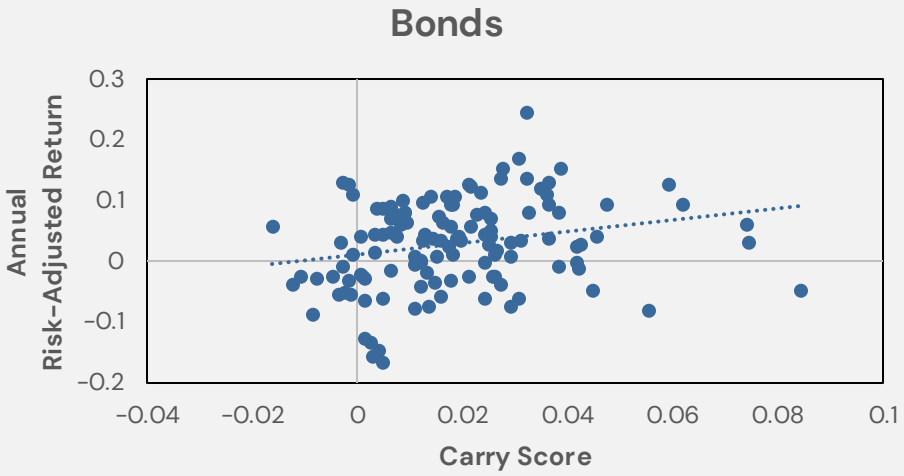
1. More thoroughly, the second source of return captures the economic benefit of simply holding an asset minus the costs associated with holding it (e.g. storage, maintenance, insurance, and transportation).

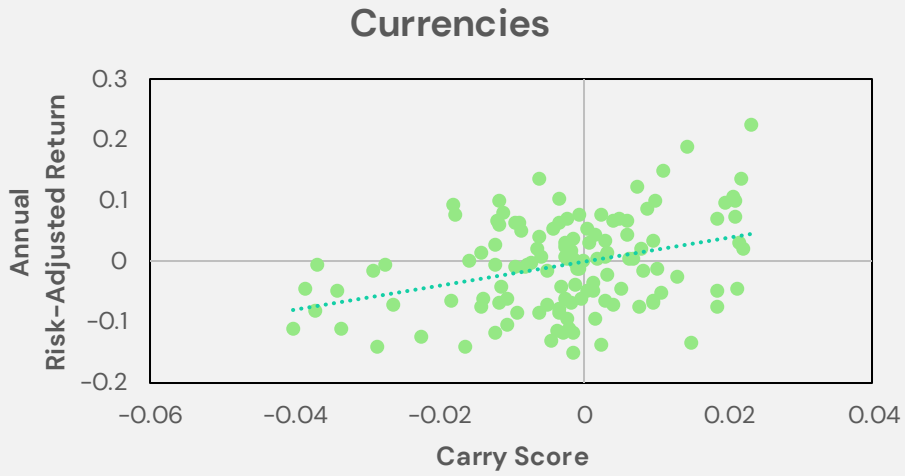
Sources of Yield in Different Asset Classes

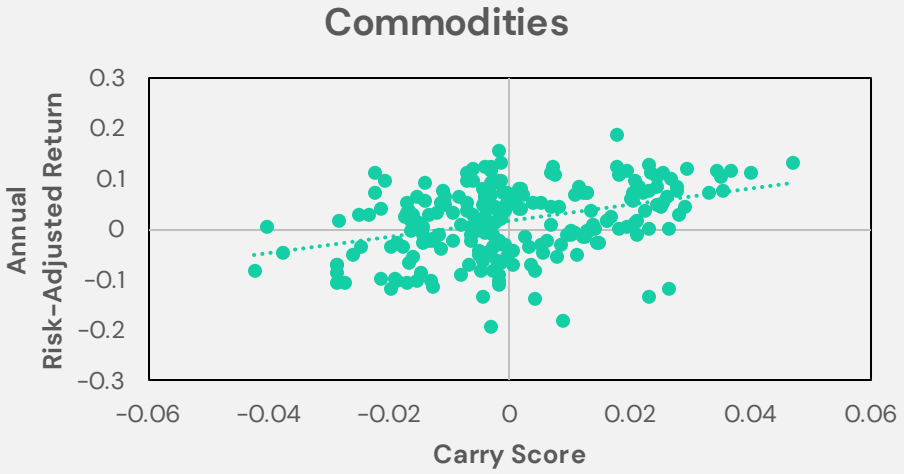
Futures Yield (Carry) captures intuitive return drivers with natural, risk-based explanations, and therefore carry should be viewed as a risk premium.

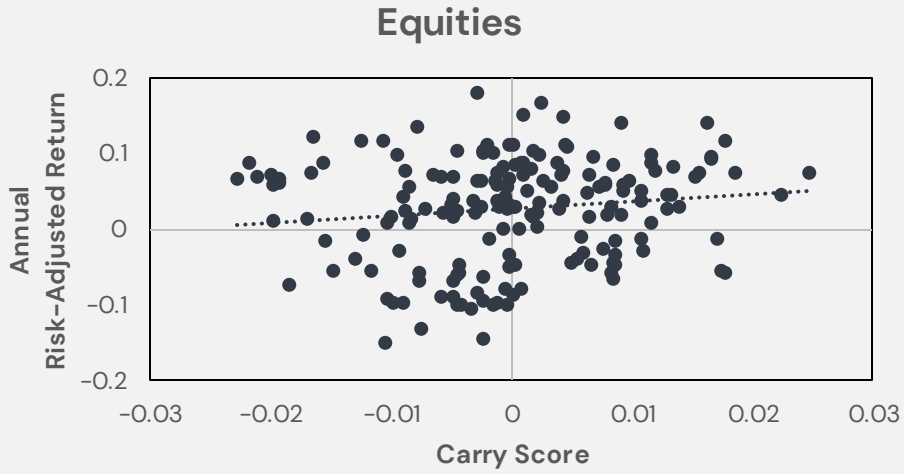
Asset Class	What Does Futures Yield Capture?	Risk-Based Theory
Equities	Expected dividends minus the risk-free rate	Compensation for fundamental risks.
Bonds	Yield in excess of the risk-free rate plus roll down	Compensation for illiquidity risk, monetary policy risk, and inflation risk.
Commodities	Convenience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

Does Carry Explain Returns?





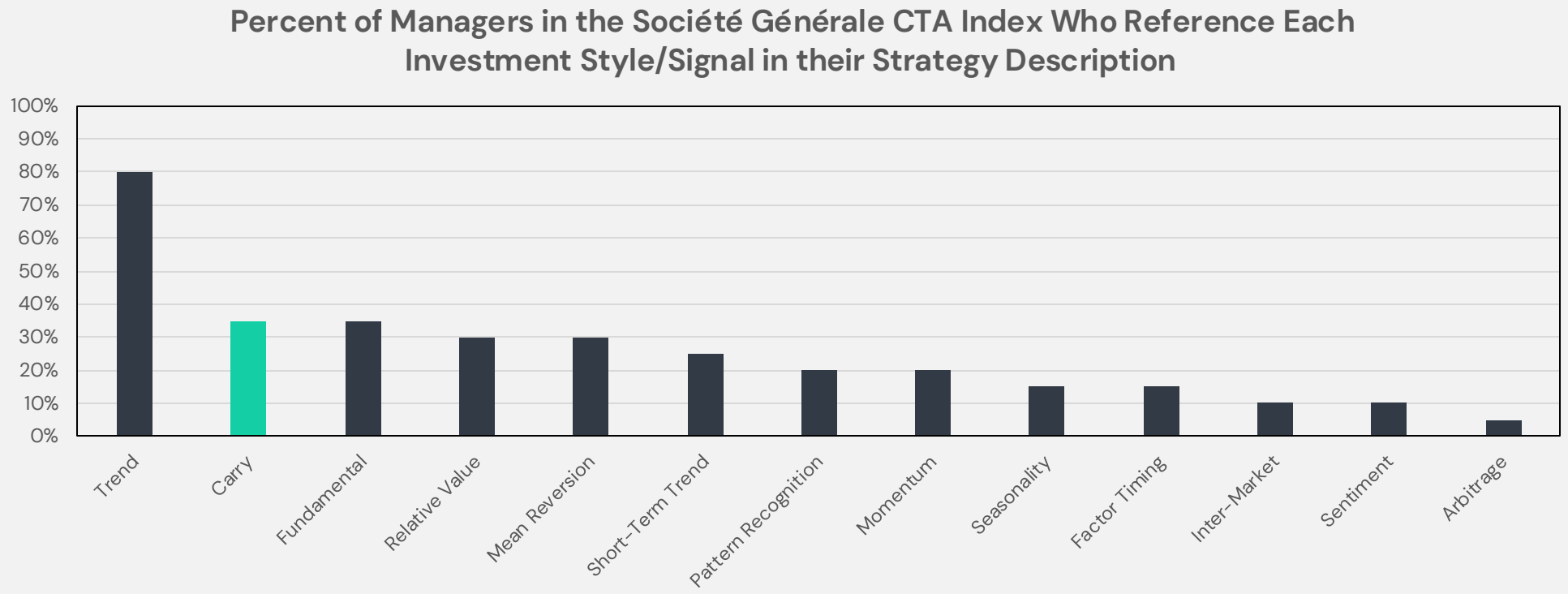




Source: ReSolve Asset Management (SEZC). Carry Score is the carry realized in each market over a given year. Annual Risk-Adjusted Return is the risk-adjusted return realized in each market over a given year. Period is 2000-2024. Universe reflects the universe of traded futures in RSSY.

A Popular Global Macro Strategy

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



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.

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.

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.

Futures Investment Universe

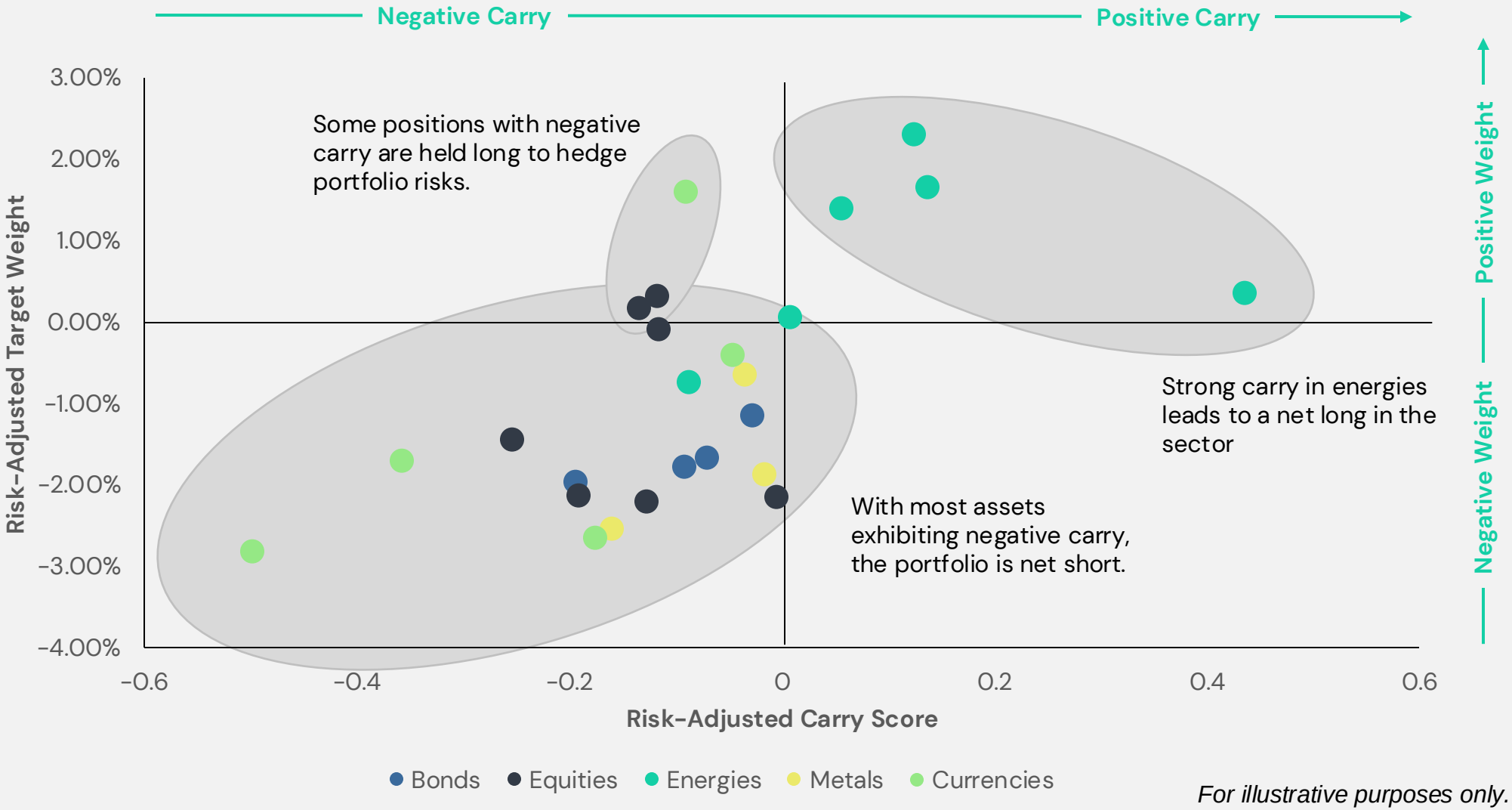
The Futures Yield strategy invests across 26 highly liquid, exchange-traded futures markets, selected to capture robust cross-section of global assets.

Equities	Bonds	Currencies	Commodities
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.

From Carry Scores to Portfolio Weights

Portfolio Construction Example (6/30/2024)



For illustrative purposes only.

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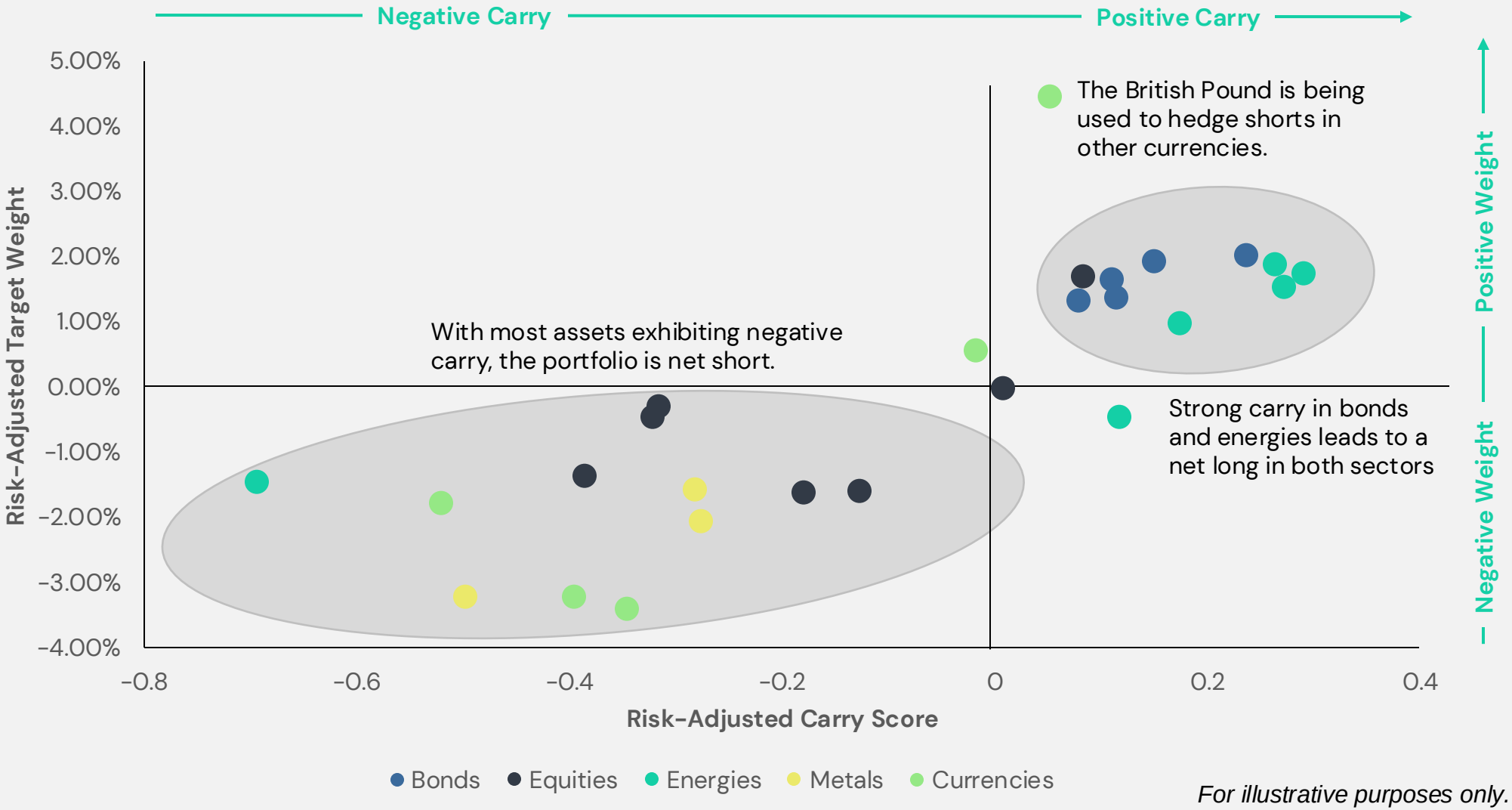
From Carry Scores to Portfolio Weights

Portfolio Construction Example (12/31/2024)



For illustrative purposes only.

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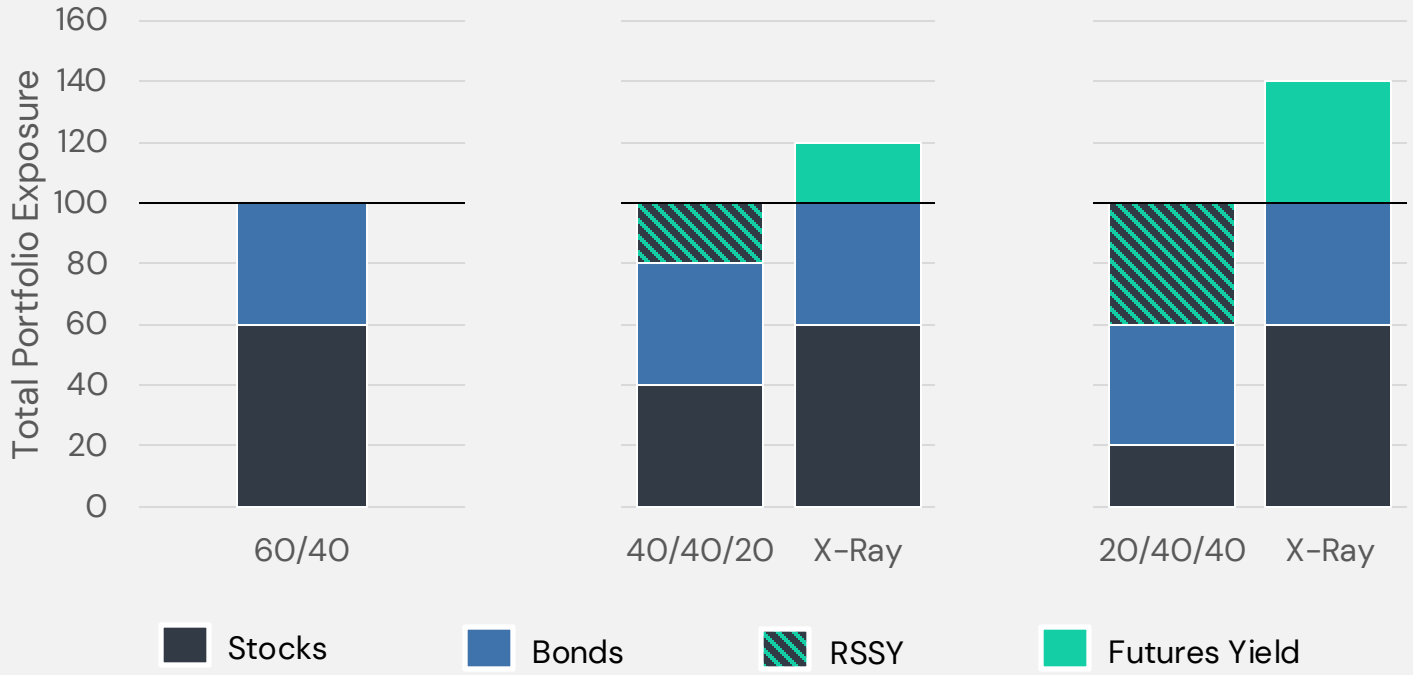
RSSY – A Capital Efficient Building Block

Replacing large-capitalization U.S. equity exposure with RSSY allows investors to introduce Futures Yield 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. 40/40/20 is 40% Stocks / 40% Bonds / 20% RSSY. 20/40/40 is 20% Stocks / 40% Bonds / 40% RSSY. 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 RSSY 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.

RSSY – Review

Objective: Long-term capital appreciation.

Strategy: For every $1 invested, the ETF seeks to provide $1 of exposure to its U.S. equity strategy and $1 of exposure to its Futures Yield strategy

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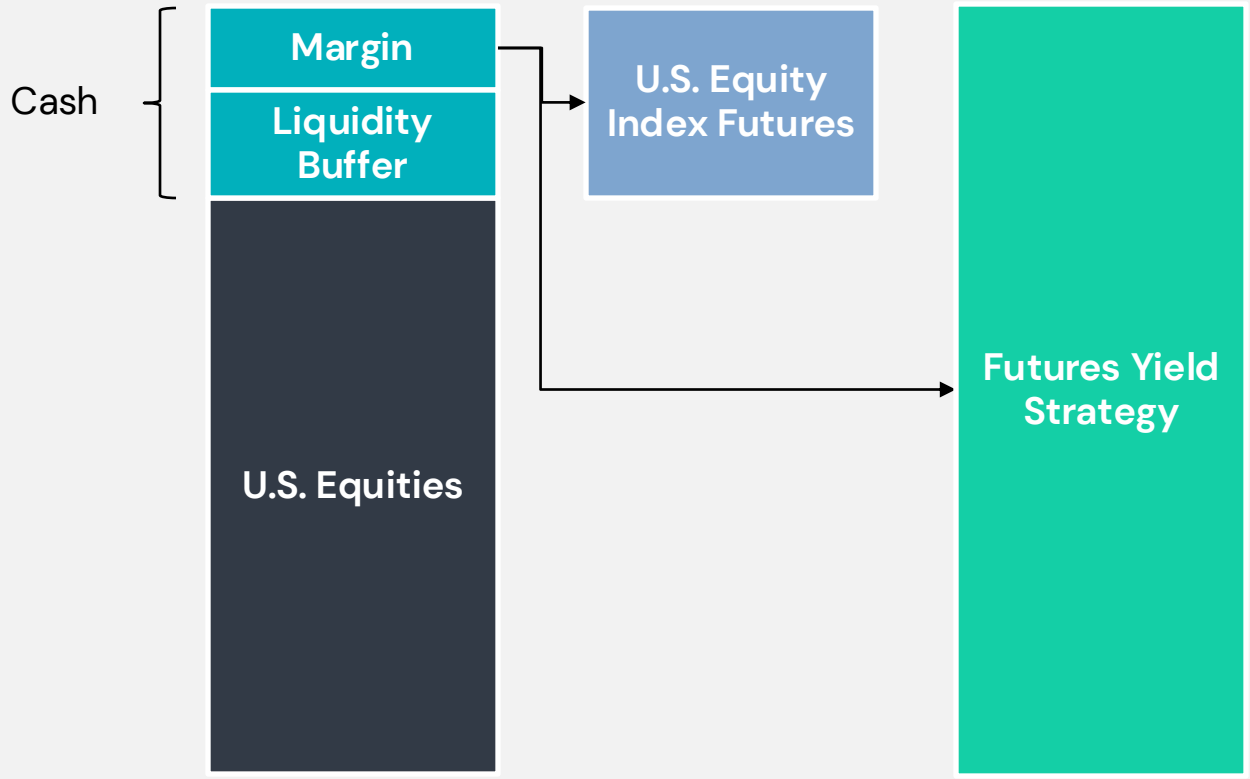
U.S. Equity Strategy: Seeks to broadly replicate the total return of large-capitalization U.S. equities using a mixture of individual securities, ETFs, and/or U.S. equity index futures.

Futures Yield Strategy: Seeks to generate attractive risk-adjusted returns by trading equity indices, bonds, currencies, and commodity futures contracts using a systematic and quantitative process that seeks to harvest roll yield (carry) in futures contracts.

Rebalance Frequency: Daily

Distribution Frequency: Annual

RSSY Portfolio Structure



For illustrative purposes only. U.S. Equities are U.S. equity securities, U.S. equity ETFs, and/or U.S. equity index futures. "Cash" is money market funds and/or a ladder of short-term U.S. Treasury Bills.

Glossary

Glossary of Indexes

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.

Bloomberg GSAM Cross Asset Carry Index is a rules-based methodology designed to provide equal weighted exposure to the carry factor in commodities, currencies, and bonds using futures and forwards.

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

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.

Glossary of Terms

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.

Glossary of Investment Styles

Arbitrage: Arbitrage involves simultaneously buying and selling an asset or equivalent assets to profit from a difference in price. Common types include spatial arbitrage (across markets) and temporal arbitrage (over time), along with statistical arbitrage, which relies on complex models and strategies.

Carry: The carry trade involves borrowing (or selling) an asset with a low interest rate and using the funds to purchase (or buy) an asset with a higher yield. This strategy profits from the difference in interest rates or yields, commonly applied in currency and fixed income markets.

Factor Timing: Factor timing investment strategies involve adjusting the exposure to different investment factors based on current or expected economic and market conditions. Factors are specific characteristics or attributes that can explain the differences in returns between various securities.

Fundamental: Fundamental analysis involves evaluating securities by attempting to measure their intrinsic value. This includes examining related economic, financial, and other qualitative and quantitative factors. Traders make buy or sell decisions based on their assessment of the asset's value and future growth prospects.

Inter-Market: Inter-market strategies involve trading based on the relationships and correlations between different markets or asset classes. These strategies recognize that movements in one market can influence, or correlate with, movements in another.

Pattern Recognition / Machine Learning: Machine learning strategies use algorithms to parse data, learn from it, and make predictions or decisions without being explicitly programmed for the task. In trading, these algorithms can identify complex patterns and relationships in data that humans might not notice.

Mean Reversion: Mean reversion is based on the theory that prices and returns eventually move back towards the mean or average. This strategy involves buying undervalued assets and selling overvalued ones, assuming they will revert to their long-term average.

Glossary of Investment Styles

Momentum: Momentum is based on the theory that recent relative performance persists. This strategy involves buying assets or securities that have recently outperformed their peers and selling those that have recently underperformed.

Relative Value: Relative value strategies seek to exploit price or rate discrepancies between related financial instruments. Traders identify pairs or groups of assets whose prices have historically moved together and trade on the assumption that any divergence will eventually revert to the mean. This can be applied to stocks, bonds, currencies, or commodities.

Seasonality: Seasonality strategies take advantage of predictable changes in market behavior at certain times of the year, month, or even days of the week. This can be influenced by various factors such as weather conditions, holidays, and fiscal policies, particularly relevant in commodity markets.

Sentiment: Sentiment-based strategies utilize investor sentiment as an indicator of market direction. This could involve analyzing social media, news trends, or investor surveys to gauge the mood of the market and predict future movements.

Short-Term Trend Following: This strategy relies on the assumption that financial markets show persistent directional movements or trends over time. Traders using this approach buy assets that are trending upwards and sell those that are trending downwards, often using technical indicators to identify these trends. Short-term trend following typically focuses on trends that last from several hours to several weeks.

Trend Following: This strategy relies on the assumption that financial markets show persistent directional movements or trends over time. Traders using this approach buy assets that are trending upwards and sell those that are trending downwards, often using technical indicators to identify these trends. Medium-to-long-term trend following typically focuses on trends that last several weeks to several months.

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