

Aptus Defined Risk ETF

The Bad Math of Bonds

For investors looking to meet their spending needs, the headwind of inflation is a growing challenge.

Among the questions we often hear:

Can I reduce reliance on drivers that may drag on portfolio returns?

Can I do that and still capture potential market upside?

Can I truly move away from traditional bonds and keep clients OK in market selloffs?

A Hybrid Alternative: DRSK

Our Defined Risk ETF (symbol DRSK) aims to tackle those exact challenges. What it's shown is an ability to lean on equity options to help generate returns, with the risk profile of a traditional bond fund.

In a nutshell, we believe portfolios need to shift away from bonds and towards stocks. More reliable drivers going forward ... NOT duration, NOT credit spreads tightening, NOT disinflation. Those are rearview drivers, and we think a bumpy road if looking ahead through the windshield.

The overall benefit of DRSK to a portfolio can be meaningful in helping to improve upside AND reduce downside. This is all possible because of its structure; the drivers you are accepting and those you get to remove/reduce.

Improving the Math

DRSK adds slivers of options around a bond ladder, helping portfolios reduce the drag of traditional bonds.

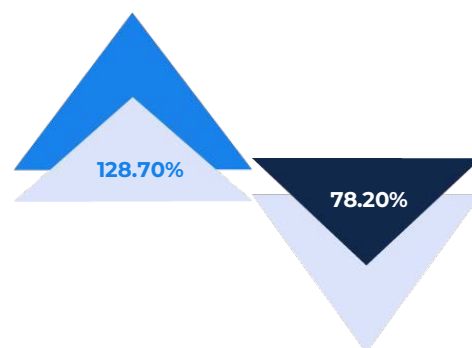
Risk & Return Stats

| Since Inception 08/08/2018 | DRSK | US AGG Bond Index |
|----------------------------|--------|-------------------|
| Total Return | 5.47 | 1.00 |
| Standard Deviation | 8.00 | 5.97 |
| Max Drawdown | -19.86 | -18.41 |
| Sharpe Ratio | 0.05 | -0.57 |

Source: Bloomberg as of 08/31/2024

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call (251) 517-7198, or visit aptusetfs.com.

Up/Down Capture



Source: Bloomberg
*Monthly Upside/ Downside vs Bloomberg Barclays

Aggregate Index, 08/08/18 - 08/31/24



Aptus Defined Risk ETF

DRSK: Three Distinct Return Drivers

Investment-Grade Bond Ladder (90-95%)

Index & Individual Equity Call Options (4-6%)

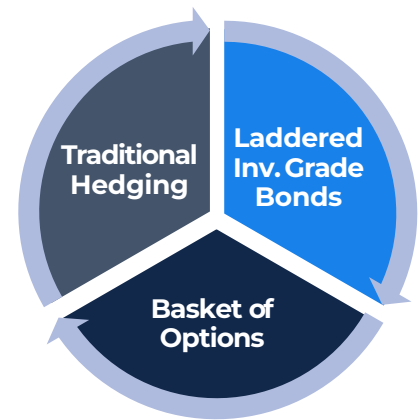
Index Puts (0.5-1.5%)

The bond component is designed to provide income, using defined maturity ETFs ranging from 1-7 year maturities. Portfolio duration generally runs at the lower end of the range but we have the flexibility to move along the curve based on market conditions.

The calls are designed to deliver asymmetric exposure to the equity market, risking only the cost of the options but holding the potential to return multiples of that cost.

The puts offer additional mitigation, seeking outsized returns when markets fall. Both the puts and the calls are actively managed, to maintain static Upside : Downside capture objectives.

Together, the three components complement one another to provide a total return outcome that we think can improve on core bond outcomes.



Fund Performance (%) as of 08/31/2024

Inception Date - 08/08/2018

| | as of 08/31/2024 | | Annualized as of 06/30/2024 | | |
|--------------------|------------------|-------|-----------------------------|--------|-----------|
| | 1 Month | YTD | 1 Year | 3 Year | Inception |
| DRSK: NAV | 2.59 | 12.91 | 12.65 | 0.04 | 4.96 |
| DRSK: Market Price | 2.67 | 12.97 | 12.76 | 0.05 | 4.97 |
| LBUSTRUU | 1.44 | 3.07 | 2.63 | -3.02 | 1.09 |

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Shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Market price returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. ET and do not represent the returns you would receive if you traded shares at other times. Net Asset Value is calculated by dividing the applicable Fund's net assets by its Shares Outstanding at the end of each business day. Brokerage commissions will reduce returns.

Risk Characteristics since 08/08/2018

| | DRSK | LBUSTRUU |
|--------------------|--------|----------|
| Beta | 1.03 | 1.00 |
| Standard Deviation | 8.00 | 5.97 |
| Sharpe Ratio | 0.05 | -0.57 |
| Max Drawdown | -19.86 | -18.41 |

Allocation (%) as of 08/31/2024

| | |
|--------------|-------|
| Fixed Income | 91.51 |
| Cash | 5.85 |
| Options | 2.65 |

Top Ten Holdings (%) as of 08/31/2024

| Security Description | Weight |
|----------------------------------|--------|
| INVESCO BULLETSHARES 2026 CORP | 10.92 |
| iSHARES IBONDS DEC 2028 CORP ETF | 9.64 |
| iSHARES IBONDS DEC 2027 CORP ETF | 8.63 |
| iSHARES IBONDS DEC 2031 CORP ETF | 8.50 |
| iSHARES IBONDS DEC 2029 CORP ETF | 8.46 |
| iSHARES IBONDS DEC 2030 CORP ETF | 6.53 |
| INVESCO BULLETSHARES 2030 CORP | 6.40 |
| iSHARES IBONDS DEC 2032 CORP ETF | 6.15 |
| INVESCO BULLETSHARES 2032 CORP | 5.85 |
| CASH | 5.73 |

Holdings are subject to change

Calendar Year Returns (%)

| | 2024 YTD* | 2023 | 2022 | 2021 | 2020 | 2019 | 2018** |
|------------|-----------|------|--------|-------|-------|-------|--------|
| DRSK (NAV) | 12.91 | 2.00 | -9.43 | 0.75 | 13.98 | 12.90 | 2.12 |
| DRSK (MKT) | 12.97 | 2.07 | -9.56 | 0.88 | 13.83 | 12.63 | 2.44 |
| LBUSTRUU | 3.07 | 5.53 | -13.01 | -1.54 | 7.51 | 8.72 | 1.62 |

*2024 YTD through 08/31/2024

**Fund and LBUSTRUU from 08/08/18-12/31/18

LBUSTRUU Index is the Bloomberg Aggregate Bond Index

Aptus Defined Risk ETF

Why DRSK?

What problem is Aptus Defined Risk trying to solve?

After a glorious three-decade run for 60/40 portfolios, it's really tough to make the math work from here. Chasing yield may boost current income, but brings added risk when business conditions weaken.

Why own options instead of the actual stocks?

Call options gives us two benefits; defined risk and leverage. To participate meaningfully in a stock market advance requires 30% of the portfolio if not more, exposing one to meaningful downside as well. Options allow us to participate using the least amount of capital at risk.

Why own individual stocks & sectors vs. owning the index?

Fifty stocks comprise half the value of the U.S. equity market. Owning a handful of diverse names gives us a chance to spread our optionality across more than just a single cap-weighted index. Capturing the power laws of markets requires only a few winners, and with this "component" approach we also gain useful correlation benefits.

Fund Details as of 08/31/2024

| | |
|--------------------------|------------|
| Fund Ticker | DRSK |
| Inception Date | 08/08/2018 |
| # of Holdings | 16 |
| Expense Ratio | 0.78% |
| SEC 30-Day Yield | 3.49% |
| Assets under Mgmt | \$713 M |
| Distributions | Quarterly |

Trading Details

| | |
|---------------------------|------------------------|
| Primary Exchange | CBOE |
| CUSIP | 26922A388 |
| ISIN | US26922A3885 |
| Shares Outstanding | 25,425,000 |
| Distributor | Quasar Distributors |
| Advisor | Aptus Capital Advisors |

DRSK Through Different Market Regimes

For perspective, see below the relative performance in 7 distinct periods since inception:

| Start Date | End Date | Scenario | DRSK | US AGG Bond Index |
|------------|------------|--------------------------|--------|-------------------|
| 08/08/2018 | 12/31/2018 | 20% Equity Selloff in Q4 | 2.40% | 1.61% |
| 01/01/2019 | 12/31/2019 | Stocks Steady +20% | 12.65% | 8.72% |
| 01/01/2020 | 12/31/2020 | COVID Crash and Recovery | 13.81% | 7.51% |
| 01/01/2021 | 12/31/2021 | Stocks Strong/Bonds Weak | 0.89% | -1.54% |
| 01/01/2022 | 12/31/2022 | Rates Explode Higher | -9.56% | -13.01% |
| 01/01/2023 | 12/31/2023 | Bonds Stabilize | 2.07% | 5.53%- |
| 01/01/2024 | 06/30/2024 | Megacap Stocks Rally | 8.78% | -0.71% |

Source: Bloomberg

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Aptus Defined Risk ETF

Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. The information contained herein should not be considered a recommendation to purchase or sell any particular security. Forward looking statements cannot be guaranteed.

Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security. Investing in ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of the shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a Funds ability to sell its shares. Aptus Capital Advisors, LLC serves as the investment advisor to the Aptus Funds. Aptus Capital Advisors, LLC is a registered Investment Advisor (RIA) registered with the Securities and Exchange Commission and is headquartered in Fairhope, Alabama.

The Funds are distributed by Quasar Distributors LLC, which is not affiliated with Aptus Capital Advisors, LLC. The information provided is not intended for trading purposes and should not be considered investment advice. Investing involves risk. Principal loss is possible. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than diversified funds. Therefore, the Fund is more exposed to individual stock or ETF volatility than diversified funds.

The Aptus Defined Risk strategy is subject to the risk that the securities may be more volatile than the market as a whole. The fund may invest in other investment companies and ETFs may result in higher and duplicative expenses. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment-grade refers to a higher level of confidence by ratings agencies that the issuer will be able to make its principal and interest payments. Changes in ratings of the underlying debt securities could lead to unexpected credit risk.

The Funds may invest in options, the Funds risk losing all or part of the cash paid (premium) for purchasing options. Call options give the owner the right to buy the underlying security at the specified price within a specific time period. Put options give the owner the right to sell the underlying security at the specified price within a specific time period. Because the Fund only purchases options, the Fund's losses from its exposure to options is limited to the amount of premiums paid.

Stocks are generally perceived to have more financial risk than bonds in that bond holders have a claim on firm operations or assets that is senior to that of equity holders. In addition, stock prices are generally more volatile than bond prices. Correlation refers to the degree to which two securities move in relation to each other. This can refer to movements across individual stock or bond securities, or how stocks and bonds move vs. one another. Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed rate taxable bond market. Upside capture is calculated by taking the fund's monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month.

Beta is a measure of the volatility of a security or portfolio compared to the market as a whole. Standard deviation measures the dispersion of a security's price history relevant to its mean. The Sharpe Ratio compares the return of an investment with its risk. Sortino Ratio measures the performance of an investment relative to its downward deviation. Downside capture is calculated by taking the fund's monthly return during the periods of negative benchmark performance and dividing it by the benchmark return.

Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Similarly, the transaction costs involved in trading a stock may be more or less than a particular bond depending on the factors mentioned above and whether the stock or bond trades upon an exchange. Depending on the entity issuing the bond, it may or may not afford additional protections to the investor, such as a guarantee of return of principal by a government or bond insurance company. There is typically no guarantee of any kind associated with the purchase of an individual stock. Bonds are often owned by individuals interested in current income while stocks are generally owned by individuals seeking price appreciation with income a secondary concern. The tax treatment of returns of bonds and stocks also differs given differential tax treatment if income versus capital gain.

For more information about the risks of investing in the Fund, see the section in the Fund's Prospectus, titled "Additional Information About the Funds — Principal Investment Risks." ADME, ACIO, DRSK, DUBS, IDUB, JUCY, and OSCV are distributed by Quasar Distributors, LLC.

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