

## ABOUT

Equity Investment Strategy seeking to generate current income while maintaining prospects for capital appreciation.

Investment universe of ~74 publicly-listed Residential and Commercial Mortgage REITs And Business Development Companies (BDCs).

Actively managed portfolio of 12-18 companies seeking to deliver an attractive and consistent dividend distribution.

## INVESTMENT PROCESS

**Analyze:** Company-specific bottom-up forecasts to project financial results.

**Construct:** Select 12-18 companies from five sub-sectors that may deliver an attractive dividend that is relatively resilient across various interest rate scenarios.

**Manage:** Frequently “stress-test” financial models and the market values of investment portfolios to changes in interest rates and investment spreads.

## MACRO COMMENTARY

After increasing only 3 basis points in January 2024, the 10-year treasury yield increased 34 basis points during February resulting in a modest decline in DVDN NAV and share price of 0.34% and 0.96%, respectively. Although the 4Q23 optimism the Federal Reserve was likely to reduce short-term rates ~6 times during FY24 has been mostly “repriced” to an expectation of ~3 rate cuts this year, the ultimate number of cuts will continue to be a “battleground” as the economic data continues to be relatively strong.

Note: A basis point is 1/100th of 1.00%

## DVDN POSITIONING

During February, DVDN portfolio managers (a) reduced total companies in the portfolio from 17 in January to 14; and (b) significantly reduced Agency Mortgage REITs exposure while increasing the allocation to both Commercial Mortgage REITs and Business Development Companies (BDCs). BDCs, with floating rate loan portfolios, will earn favorable margins in a “higher-for-longer” rate environment. Although, broadly speaking, Commercial Mortgage REITs continue to feel pressures from office and multifamily holdings, DVDN portfolio managers believe certain company valuations are significantly ahead of current stock prices and may provide very attractive total returns over time if this thesis proves correct.

## FUND DETAILS

Fund Inception	11/2/2023
Ticker	DVDN
Primary Exchange	NYSE Arca
Expense Ratio	0.90%
Management Fee	0.90%
30-Day SEC Yield	13.46%
Distribution Yield - 4Q23	12.79%

## DVDN PERFORMANCE

	4Q23	YEAR-TO-DATE 2024			
Time Period	12/31/23	Jan '24	Feb '24	YTD24	Inception
DVDN Price	11.92%	(1.46%)	(0.96%)	(2.40%)	9.23%
DVDN NAV	11.92%	(1.52%)	(0.34%)	(1.85%)	9.84%

Performance data quoted represents past performance and does not guarantee future results. An investment's return and the principal value of an investment will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Fund performance from the most recent month-end (February, 2024) to the current date may be lower or higher than the quoted performance and can be obtained by calling 800.242.1000. Time periods exceeding one year are annualized unless noted otherwise. Short-term performance, in particular, is not a good indication of the Fund's future, or longer-term, performance and an investment should not be made based solely on investment returns.

## THE DVDN INVESTMENT PORTFOLIO

	NUMBER OF COMPANIES	COMPOSITION OF DVDN	EQUAL-WEIGHTED YIELD
Residential MREITs	4	29%	13.92%
Commercial MREITs	3	24%	11.76%
Business Development Companies	7	47%	11.04%

Data accurate as of 3/4/24.

Source: Bloomberg and KCM estimates.

Past performance does not guarantee future returns.

All metrics are equal-weighted by the number of stocks in each segment.

**Residential Mortgage REITs (MREITs)** investment in Agency MBS, Non-Agency MBS, mortgage loans and mortgage servicing rights. **Commercial Mortgage REITs (CREITs)** invest in loans secured by commercial properties that include offices, multifamily, distribution facilities, life science properties, etc. The majority of the CREITs in the DVDN Investment Universe invest in shorter-term “transitional loans” made to property owners that use the funds to improve the quality of the property with the intention of refinancing the loans with longer-term mortgages. **Business Development Companies (BDCs)** invest in loans made to private companies that are generally, but not always, backed by private equity sponsors. The majority of BDC loans are floating rate and are underwritten based upon a company's cash flow. A sub-segment of the BDC sector is Venture Debt Lenders that provide debt capital to early-stage private equity-backed companies.

## LEGAL DISCLOSURES

**Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call 800.242.1000 or visit our website at [KingsbarnCapital.com](https://KingsbarnCapital.com). Read the prospectus or summary prospectus carefully before investing.**

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV) and may trade at a discount or premium to NAV. Shares are not individually redeemable from the Fund and may be only be acquired or redeemed from the fund in creation units. Brokerage commissions will reduce returns.

*Fund risks:* As with all funds, a shareholder is subject to the risk that his or her investment could lose money. The principal risks affecting shareholders' investments in the Fund are set forth below.

*Equity Securities Risk.* Equity prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate from day to day.

*Mortgage REITs Risk.* The Fund's investments in the securities of publicly traded residential and commercial mortgage REITs will be subject to a variety of risks affecting those REITs directly. Investments in BDCs, Business Development Companies may be subject to a high degree of risk. BDCs typically invest in small and medium-sized private and certain public companies that may not have access to public equity or debt markets for capital raising. As a result, a BDC's portfolio typically will include substantial amounts of securities purchased in private placements, and its portfolio may carry risks similar to those of a private equity or venture capital fund.

*Risks of investing in VDLs.* VDLs, Venture Debt Lenders, are direct lenders to private companies that are backed by private equity or venture capital investment firms. Generally, these companies have reached a stage in their business life cycle whereby their sponsors are comfortable raising debt capital to fund growth rather than investing additional equity capital.

*Fixed-Income Securities Risk.* Fixed-income securities can experience extended periods of price declines during periods of (a) sustained increases in market interest rates; and/or (b) persistent widening of credit spreads. The values of fixed-income securities may be affected by changes in the credit rating or financial condition of their issuers.

*New Fund Risk.* The Fund is a new ETF and has only recently commenced operations. As a new fund, there can be no assurance that the Fund will grow to or maintain an economically viable size, in which case it could ultimately liquidate. The Fund's distributor does not maintain a secondary market in the Fund's shares.

*Foreside Fund Services, LLC. Distributor.*

## LEGAL DISCLOSURES

The Kingsbarn Dividend Opportunity ETF (the “Fund”, or “DVDN”) is an actively managed portfolio of 12-18 publicly listed companies included in three segments that comprise the DVDN Investment Universe: Residential Mortgage Real Estate Investment Trusts (“MREITs”), Commercial Mortgage Real Estate Investment Trusts (“CREITs”), and Business Development Companies (“BDCs”). Together, these three segments comprise the DVDN Investment Universe of 74 companies that are segmented as follows: MREITs = 19 companies; CREITs = 17 companies; and BDCs = 38 companies.

The **30-Day SEC Yield** is a standard yield calculation developed by the Securities and Exchange Commission (SEC) that allows for fairer comparisons among funds. It is based on the most recent 30-day period. This yield figure reflects the interest earned during the period after deducting the Fund’s expenses for the period. It does not reflect the yield an investor would have received if they had held the Fund over the last twelve months assuming the most recent NAV.

The **Distribution Yield** is the annual yield an investor would receive if the most recent Fund distribution stayed the same going forward. The yield represents a single distribution from the Fund and does not represent the total return of the Fund. The yield is calculated by annualizing the most recent distribution and dividing it by the FUND NAV from the as-of-date.

Investors should not rely on either the historical 30-Day SEC Yield or the Distribution Yield when considering an investment in DVDN as past results may not be indicative of future dividend distributions by companies in the DVDN portfolio.

Although the 30-Day SEC Yield and the Distribution Yield are computed over different time periods, investors / potential investors should realize the most significant determinant underlying the computation of both yields are the dividends paid to the Fund by each of the companies held in the Fund at the date each company’s dividend is owed to the Fund that is commonly referred to as the company’s “ex-date” or the “ex-dividend date”. The company-specific dividends paid to the Fund are declared either monthly or quarterly and are subject to change without notice to the Fund.