



 **KINGSBARN<sup>®</sup>**  
KINGSBARN TACTICAL BOND ETF

# FUND OVERVIEW

## Fund Objective

- Kingsbarn Tactical Bond Fund (KDRN) is a high-grade bond ETF seeking to maximize total return

## Investment Opportunity

- Interest rate changes represent the dominant risk factor to traditional bond portfolios
- Passively maintaining duration<sup>1</sup> exposure within a bond portfolio makes little sense in a world where risks, and opportunity, are skewed and highly transient

## Our Value Add

- KDRN is an actively managed ETF specializing in duration management
- Our flexible duration posture offers a unique alpha<sup>2</sup> potential versus our fixed income peers

<sup>1</sup> Duration is a measurement of a bond's interest rate risk that considers a bond's maturity, yield, coupon and call features. These many factors are calculated into one number that measures how sensitive a bond's value may be to interest rate changes. The shorter a bond's duration, the less volatile it is likely to be. For example, a bond with a one-year duration would only lose 1% in value if rates were to rise by 1%. In contrast, a bond with a duration of 10 years would lose 10% if rates were to rise by that same 1%. Conversely, if rates fell by 1%, bonds with a longer duration would gain more while those with a shorter duration would gain less.

<sup>2</sup> Alpha or "excess return" is used to denote how a fund has performed compared to a benchmark. Excess return, which is also known as alpha, can provide an indication of whether a respective fund has overperformed or underperformed. In this example, alpha is calculated as the fund return minus the fund benchmark return.

# PERFORMANCE REVIEW

The current environment of high yield curve volatility uniquely suits our flexible duration framework which includes defensive high-quality credits to provide diversification against risk assets.

- KDRN was the **#1 performer** within Morningstar’s US Intermediate Core Plus Bond category<sup>1</sup> in 2023.
- A proprietary model guides our tactical duration positioning and has added over **+700** bps of alpha since inception.

Data as of **04/30/2024**. Fund inception date: 12/19/2021.

RETURNS VS BENCHMARKS	MTD THRU 04/30/24	YTD THRU 04/30/24	ITD THRU 04/30/24	QTR THRU 03/31/24	1YR THRU 03/31/24
Kingsbarn Tactical Bond PRICE	-0.83%	-1.32%	-4.32%	-0.49%	4.41%
Kingsbarn Tactical Bond NAV	-0.60%	-1.02%	-4.09%	-0.42%	4.21%
Bloomberg US Agg Total Return	-2.53%	-3.28%	-11.29%	-0.78%	1.70%

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, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 800-242-1000. Market Price: The current price at which shares are bought and sold. Market returns are based upon the last trade price. NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day. Bloomberg U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into specific indices that are calculated and reported on a regular basis. It is not possible to invest in an unmanaged index.

<sup>1</sup> Morningstar Rankings represent a fund’s total-return rank relative to all funds that have the same Morningstar Category. The highest rank is 1 and the lowest is based on the total number of funds in ranked in the category. ©2023 Morningstar, Inc. All Rights Reserved. The information contained herein (1) is proprietary to Morningstar (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance does not guarantee future results.

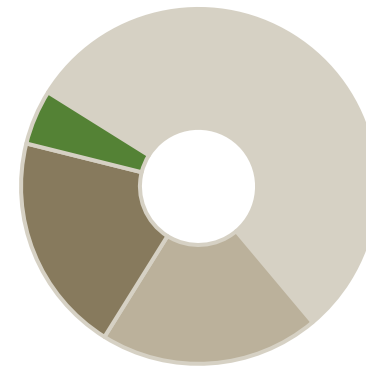
# KDRN PORTFOLIO VERSUS BENCHMARK

## Portfolio Risk Components:

**Credit:** Liquid, high grade bias with no portfolio exposure to below investment grade bonds. Credit exposure to mimic the Bloomberg Aggregate Bond Index.

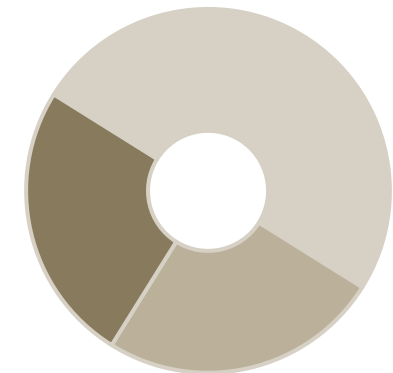
**Duration:** Flexible mandate; actively managed to generate tax efficient excess returns. Active duration risk limited to  $\pm 5$  years and executed through liquid, exchange-traded Treasury futures.

Kingsbarn Tactical Bond ETF



Credit Exposures		Duration
Treasuries	55%	+6 years
Mortgages	20%	
IG Corporates	20%	
Futures	5%	$\pm 5$ years

Bloomberg Aggregate Bond Index



Credit Exposures		Duration
Treasuries	45%	+6 years
Mortgages	35%	
IG Corporates	20%	

# FACTORS DRIVING DURATION POSITIONING

**Model Input:** Our proprietary duration model incorporates a broad set of economic and market-based information:

ECONOMIC	INFLATION	FED POLICY	VALUATION	TECHNICALS
Are real-time measures of the economy <b>expanding</b> or contracting ?	Are price levels <b>accelerating</b> or decelerating ?	Is current policy <b>restrictive</b> or accommodative ?	Are current levels <b>higher</b> or lower of long-term value thresholds ?	Is current bond market technicals <b>negative</b> or positive ?

**Model Output:** Short-term, directional forecast for long-term interest rates

**Portfolio Action:** Based on our directional lower (higher) rate forecast, portfolio duration would be increased (decreased) through buying (selling) liquid exchange-traded Treasury futures.

# RISK MANAGEMENT

- Portfolio limited to high-grade credits with deep liquidity
- Duration overlay exposure pre-determined with active risk parameters
- Use of liquid, exchange-traded futures eliminates counterparty risk
- Strict stop-loss and profit-taking levels on futures positions
- Systematic process avoids behavioral biases and emotional trading

# KDRN BENEFITS

- Outsources important duration decision to experienced manager
- Pursues excess returns through skill-based, active management
- Unique opportunity that can exploit yield curve volatility
- Maintains diversifier characteristic of traditional fixed income
- High degree of scalability, transparency, liquidity
- Potential for tax efficient distributed yield (Section 1256)

## DURATION SPECIALIST ...

- Our duration management technique is contrary to the vast majority of bond managers who view duration risk with a passive stance or through a long-term lens.
- We offer a distinctive product based on our fund's duration flexibility, position liquidity and high-grade credit focus.
- Our ETF will look distinct in comparison to our peers offering different performance cycles and low levels of overlap while delivering core return and diversification attributes of fixed income.

... IN A WORLD OF CREDIT MANAGERS



# DISCLOSURES

Due to operational issues, KDRN's portfolio did not include any 10-year U.S. treasury futures from the Fund's inception (12/20/2021) until May 6, 2022 which negatively impacted the Fund's NAV. Subsequent to May 6, 2022, U.S. treasury futures have been utilized for actively managing the Fund's duration as described in KDRN's prospectus. While the impact to the fund's overall NAV performance due to the lack of futures can be determined, the impact to an individual investor's returns would have been dictated based on the specific purchase and sale date of each individual transaction.

**Duration:** Duration is a measurement of a bond's interest rate risk that considers a bond's maturity, yield, coupon and call features. These many factors are calculated into one number that measures how sensitive a bond's value may be to interest rate changes. The shorter a bond's duration, the less volatile it is likely to be. For example, a bond with a one-year duration would only lose 1% in value if rates were to rise by 1%. In contrast, a bond with a duration of 10 years would lose 10% if rates were to rise by that same 1%. Conversely, if rates fell by 1%, bonds with a longer duration would gain more while those with a shorter duration would gain less.

**Alpha:** Alpha or "excess return" is used to denote how a fund has performed compared to a benchmark. Excess return, which is also known as alpha, can provide an indication of whether a respective fund has overperformed or underperformed. In this example, alpha is calculated as the fund return minus the fund benchmark return.

**Credit Spread:** This is the difference in basis points between a corporate bond and a U.S. Treasury bond with the same maturity. A single percentage point, or 1.00%, is equal to 100 basis points. So, if the corporate bond has a yield that is 2.00% higher than the Treasury bond, the credit spread would be 200 basis points.

**AAA rating:** The S&P and Fitch AAA ratings are the highest assigned to any debt issuer. An AAA rating is the equivalent of the Aaa rating issued by Moody's. AAA ratings are issued to investment-grade debt that has a high level of creditworthiness with the strongest capacity to repay investors.

**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. 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 only be acquired or redeemed from the fund in creation units. Brokerage commissions will reduce returns.

**Fund Risk.** When the Fund invests in Underlying Bond Funds, it is subject to the risks associated with those investment companies, (such as the risk that the fund will be concentrated in a particular issuer, market, industry, or sector, and therefore will be especially susceptible to loss due to adverse occurrences affecting that issuer, market, industry, or sector). Underlying Bond Funds incur operating expenses that are separate from those of the Fund. As a result, the Fund's shareholders will indirectly bear a proportionate share of the operating expenses of the Underlying Bond Funds, in addition to Fund expenses. While fixed-income securities normally fluctuate less in price than stocks, there have been extended periods of increases in interest rates that have caused significant declines in fixed income securities prices. **High-Yield Bond Risk.** Junk bonds are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment grade securities. The Fund will use derivative instruments such as futures contracts and the Underlying Bond Funds may use derivative instruments such as swaps, foreign currency exchange forward contracts, futures contracts, and options on futures contracts. The value of derivatives may rise or fall more rapidly than other investments. For some derivatives, it is possible to lose more than the amount invested in the derivative. **Foreign Investment Risk.** To the extent the Fund invests in Underlying Bond Funds that invest in foreign securities, it may be subject to additional risks not typically associated with investments in domestic securities.

Forside Fund Services, LLC. Distributor.

# UNIQUE CORE BOND PRODUCT

## FIXED INCOME PEER GROUPS <sup>1</sup>

LONG DURATION	HEDGED DURATION
<p><b>Traditional Fixed Income Funds</b></p> <p>Long duration matching to fund's underlying benchmark duration exposure. Returns directly correlated to interest rate changes.</p>	<p><b>Non-Traditional Bond Funds</b></p> <p>Minimal duration. Exchanged duration risk for higher yield, non-rated credit risk. On average have 4x the credit risk of traditional bond fund peers.*</p>
Duration Exposure ~ +6 Years	Duration Exposure ~ 0 TO +2 Years
<p>Avg. Credit Exposure ~ A to BBB</p> <p><small>Below Investment Grade Credit Exposure ~ 15%</small></p>	<p>Avg. Credit Exposure ~ BB to Non-rated</p> <p><small>Below Investment Grade Credit Exposure ~ 45%</small></p>
Benefit from declining yields and a lesser extent narrowing credit spread <sup>2</sup>	Primarily benefit from narrowing credit spreads and higher yield income.

## KDRN

ACTIVE DURATION
<p><b>Unique Tactical Duration Fund</b></p> <p>Flexible duration. Potential for positive returns in any rate environment. Maintain diversification attributes of traditional fixed income.</p>
<p>Average Duration ~ +6 Years</p> <p><small>Can adjust between +1 to +11 years tactically</small></p>
<p>Avg. Credit Exposure ~ AAA <sup>3</sup></p> <p><small>Below Investment Grade Credit Exposure = 0%</small></p>
Higher alpha <sup>4</sup> potential with unique ability to exploit rate volatility.

<sup>1</sup> Source: Morningstar Report: Nontraditional Bond Fund Investing (2014) by Eric Jacobson, Senior Analyst, Co-Head of Fixed-Income. <sup>2</sup> Credit Spread: This is the difference in basis points between a corporate bond and a U.S. Treasury bond with the same maturity. For example., if the corporate bond has a yield that is 2.00% higher than the Treasury bond, the credit spread would be 200 basis points. <sup>3</sup> AAA rating: The S&P and Fitch AAA ratings are the highest assigned to any debt issuer. An AAA rating is the equivalent of the Aaa rating issued by Moody's. AAA ratings are issued to investment-grade debt that has a high level of creditworthiness with the strongest capacity to repay investors. <sup>4</sup> Alpha or "excess returns" is used to denote how a fund has performed compared to a benchmark. Excess return, which is also known as alpha, can provide an indication of whether a respective fund has overperformed or underperformed. In this example, alpha is calculated as the fund return minus the fund benchmark return.