

# **RPAR Risk Parity ETF**

Quarterly Review

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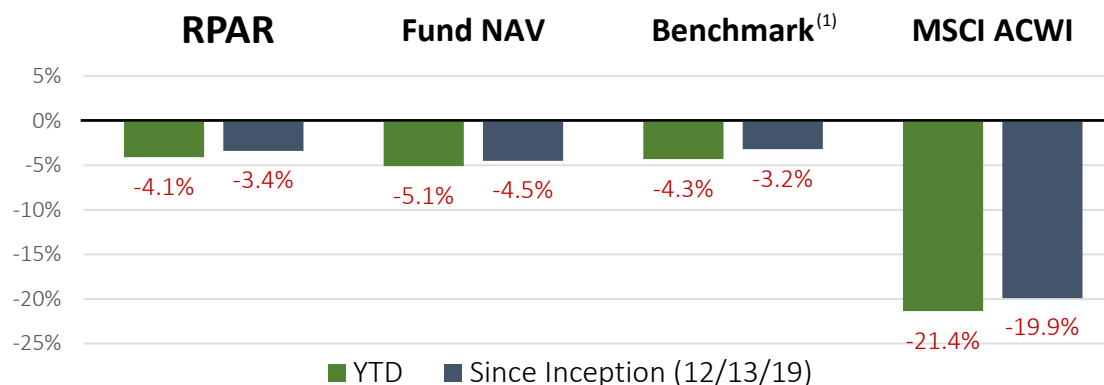
**First Quarter 2020**

- Seeks to generate positive returns during periods of economic growth, preserve capital during periods of economic contraction, and preserve real rates of return during periods of heightened inflation
- Maintain balanced exposure to a range of asset classes that are biased to perform well in different economic environments
  - **Global equities** – strong economy; falling inflation
  - **Commodity producers** – strong economy, rising inflation
  - **Physical gold** – strong economy; rising inflation; hedge against money printing
  - **TIPS** – weak economy; rising inflation
  - **Treasuries** – weak economy; falling inflation/deflation
- Structure each asset class to achieve equity-like returns over the long run
- Risk balance across asset classes to maximize diversification
- Use an index approach to hold asset classes
- Automatically rebalance quarterly to the target allocation
- Low fees (0.53% gross expense ratio)<sup>(1)</sup>
- Daily liquidity (trades on NYSE)
- Closely track the Advanced Research Risk Parity Index (Bloomberg ticker: RPARTR)

*(1) The Fund's Investment Advisor has contractually agreed to waive 3 basis points (0.03%) of its management fees for the Fund until at least February 28, 2021.*

- Q1 marked a major turning point as COVID-19 evolved into a global pandemic. Social distancing policies to contain the virus required many businesses to shut down, which resulted in widespread job losses and lost income.
- Market volatility spiked amidst uncertainty related to the path of the virus and the economy. Panic/distressed selling ensued causing precipitous declines across equity and credit markets.
- In response, the Federal Reserve lowered short-term interest rates to zero, promised “unlimited” quantitative easing and launched a series of programs aimed to backstop credit markets. Congress followed suit by passing the CARES (Coronavirus Aid, Relief, and Economic Security) Act, which will provide over \$2 trillion in aid to businesses and households impacted by the virus.
- The long-term economic impact from the business interruption is highly uncertain. While government programs may successfully bridge the gap until the economy restarts, the trajectory may be permanently affected. The main concern is the limited ability of monetary and fiscal policy to provide the needed support over the longer period given historically low interest rates and record deficits.
- Looking ahead, the potential range of economic outcomes is extremely wide: we could have deflation or inflation; the stimulus may propel an economic rebound or could ultimately prove to be insufficient; the market may reject ballooning multi-trillion dollar deficits leading to a currency crisis; or many other things may happen that no one is currently considering.
- We believe that holding a balanced portfolio is critical to meeting investment objectives across the wide range of potential outcomes.
- We think RPAR offers balance within a single liquid, low cost, tax-efficient vehicle.

As of 3/31/20	YTD	Since RPAR Inception (since 12/13/19)
<b>RPAR Risk Parity ETF (Market Price)</b>	<b>-4.1%</b>	<b>-3.4%</b>
RPAR Risk Parity ETF (NAV)	-5.1%	-4.5%
RPAR Benchmark Index <sup>(1)</sup>	-4.3%	-3.2%
MSCI ACWI Index	-21.4%	-19.9%



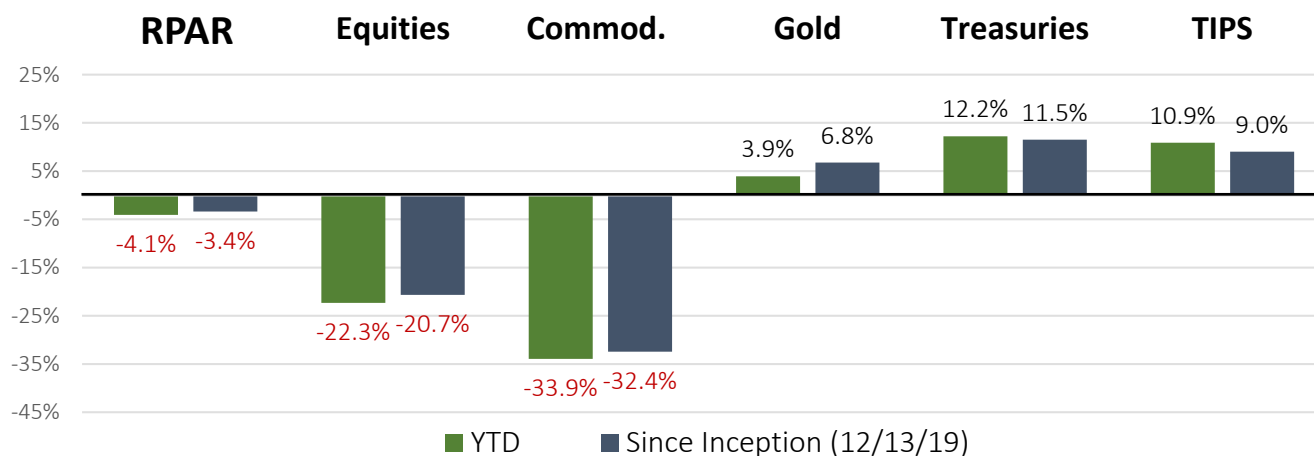
(1) Advanced Research Risk Parity Index (Bloomberg ticker: RPARTR)

Data Source: US Bank as of 3/31/20.

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. Performance current to the most recent month-end can be obtained by calling (833) 540-0039. Only returns greater than one year will be annualized. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.

As of 3/31/20	Allocation <sup>(1)</sup>	YTD	Since RPAR Inception (since 12/13/19)
<b>RPAR Risk Parity ETF (Market)</b>	<b>116.7%</b>	<b>-4.1%</b>	<b>-3.4%</b>
Equities	22.3%	-22.3%	-20.7%
Commodity Producers	13.2%	-33.9%	-32.4%
Physical Gold	17.8%	3.9%	6.8%
Treasuries	42.2%	12.2%	11.5%
TIPS	21.2%	10.9%	9.0%

*Underlying asset class performance corresponds to actual returns earned by the underlying investments in RPAR.*

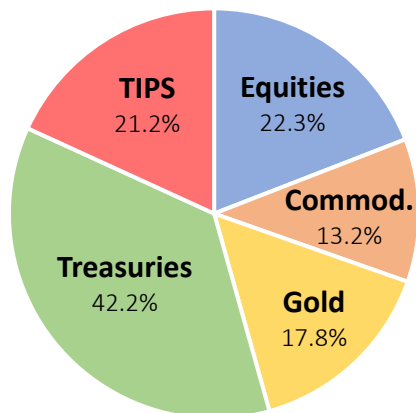


*(1) Treasury exposure corresponds to the notional contract value of U.S. Treasury futures. Allocations above exclude cash which serves as collateral for the U.S. Treasury futures. Data Source: Bloomberg, US Bank and Exponential ETFs as of 03/31/20. Allocations are subject to change. Past performance does not guarantee future results.*

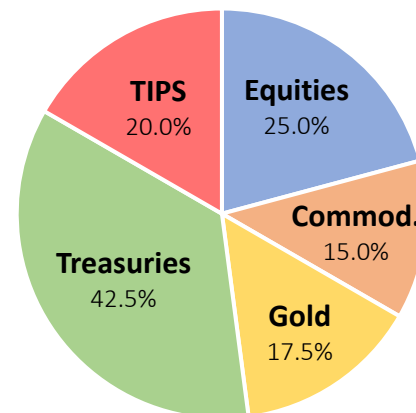
As of 3/31/20	YTD Attribution	ITD Attribution (since 12/13/19)
<b>RPAR Risk Parity ETF (Market)</b>	<b>-4.1%</b>	<b>-3.4%</b>
RPAR Risk Parity ETF (NAV)	-5.1%	-4.5%
Equities	-6.2%	-5.7%
Commodity Producers	-6.1%	-5.8%
Physical Gold	0.7%	1.0%
Treasuries	4.6%	4.3%
TIPS	2.2%	1.8%

*Data Source: US Bank and Exponential ETFs as of 03/31/20. Holdings and allocations are subject to change. Past performance does not guarantee future results.*

**3/31/20 Allocation**



**Target Allocation**



	3/31/20 Allocation	Target Allocation <sup>(1)</sup>
<b>RPAR Risk Parity ETF</b>	<b>116.7%</b>	<b>120.0%</b>
Equities	22.3%	25.0%
Commodity Producers	13.2%	15.0%
Physical Gold	17.8%	17.5%
Treasuries	42.2%	42.5%
TIPS	21.2%	20.0%

Treasury exposure corresponds to the notional contract value of U.S. Treasury futures. Allocations above exclude cash which serves as collateral for the U.S. Treasury futures. Holdings and allocations are subject to change.

(1) Long-term target allocation is 25% global equities, 15% commodity producers, 10% physical gold, 35% Treasuries (excluding cash), and 35% TIPS. Due to heightened potential for deflation, a portion of TIPS risk exposure is gained through a combination of gold and Treasury futures in the current target allocation.

Data Source: US Bank as of 3/31/20.

A balanced mix of diverse asset classes has outperformed equities with less risk over the past 20+ years

As of 3/31/20	2000 – 2001	2002 – 2003	2004 – 2005	2006 – 2007	2008 – 2009	2010 – 2011	2012 – 2013	2014 – 2015	2016 – 2017	2018 – 2019	2020 YTD	20+ Year Ann. Return <sup>(1)</sup>
1 <sup>st</sup>	Treasuries 15%	Gold 22%	Commod. 26%	Commod. 43%	Gold 15%	Treasuries 32%	Equities 19%	Treasuries 18%	Commod. 25%	Gold 8%	Treasuries 29%	<b>Treasuries 11%</b>
2 <sup>nd</sup>	TIPS 14%	Commod. 20%	Treasuries 17%	Gold 27%	TIPS 4%	Gold 19%	Commod. 4%	TIPS 5%	Equities 16%	Treasuries 7%	TIPS 9%	<b>Gold 9%</b>
3 <sup>rd</sup>	Gold -2%	TIPS 16%	Equities 13%	Equities 16%	Treasuries 0%	TIPS 17%	TIPS -5%	Equities 1%	Gold 11%	Equities 7%	Gold 4%	<b>TIPS 8%</b>
4 <sup>th</sup>	Equities -15%	Treasuries 10%	Gold 12%	TIPS 5%	Commod. -8%	Equities 2%	Treasuries -9%	Gold -6%	TIPS 9%	TIPS 5%	Equities -21%	<b>Commod. 7%</b>
5 <sup>th</sup>	--	Equities 4%	TIPS 9%	Treasuries 4%	Equities -12%	Commod. 2%	Gold -12%	Commod. -16%	Treasuries 7%	Commod. 4%	Commod. -31%	<b>Equities 3%</b>
<b>Average</b>	<b>3%</b>	<b>15%</b>	<b>15%</b>	<b>19%</b>	<b>0%</b>	<b>14%</b>	<b>-1%</b>	<b>0%</b>	<b>14%</b>	<b>6%</b>	<b>-2%</b>	<b>8%</b>

(1) This column represents the annualized total return for each asset class from 12/31/99 through 3/31/20, with the exception of 'Commodities'; Morningstar Global Upstream Natural Resources Index is calculated from inception (12/31/00) through 3/31/20. The average row represents an equal average of all asset class returns shown for that time period.

Data Source: Bloomberg as of 03/31/20. Indexes used include equities (MSCI ACWI Index), Treasuries (Barclays US Treasury STRIPS 20-30 Year Bond Index), TIPS (Merrill Lynch 15+ Year U.S. Inflation-Linked Bond Index), commodity producers (Morningstar Global Upstream Natural Resources), physical gold (gold spot price). Please see back of report for Index Disclosures. Past performance does not guarantee future results.



- A common misperception about diversification is that during a crisis, correlations go to one and all assets contemporaneously lose money. Thus, diversification doesn't work well when investors need it the most.
- The reality is that most investors are not sufficiently diversified.
- During material economic downturns, long term Treasuries and gold (which currently account for about half the assets in RPAR) have historically performed strongly. Below is the performance of these two diversifiers during the past 4 major market sell-offs (stocks down 20% or more):

As of 3/31/2020	2020 COVID-19 Pandemic (Jan. '20 – Mar. '20)	2011 Eurozone Crisis (May '11 – Sep. '11)	2008 Credit Crisis (Nov. '07 – Feb. '09)	2000 Dotcom Crash (Apr. '00 – Sep. '02)
Global Equities	-21%	-20%	-54%	-47%
Long Treasuries	+29%	+54%	+26%	+63%
Gold	+4%	+4%	+18%	+12%

- Conversely, other popular asset classes have declined similarly to equities:

High Yield Bonds	-13%	-7%	-26%	-9%
Hedge Funds	-8%	-9%	-21%	-1%

- Importantly, the long-term return of these two diversifiers has been relatively attractive, unlike other “tail hedges” that may have poor long-term performance. Over the past 20+ years, the annualized total return for long Treasuries (11%) and Gold (9%) outperformed Equities (3%), High Yield Bonds (6%) and Hedge Funds (5%).<sup>(1)</sup>

(1) Bloomberg, 12/31/99 – 3/31/20.

Data Source: Bloomberg as of 03/31/20. Indexes used include global equities (MSCI ACWI Index), Long Treasuries (Barclays US Treasury STRIPS 20-30 Year Bond Index), gold (gold spot price), High Yield Bonds (ICE BofA US High Yield Index) and Hedge Funds (HFRI Fund-Weighted Index). Please see back of presentation for Index Disclosures. Past performance does not guarantee future results. Diversification does not guarantee profit or protection against loss in declining markets.

A core objective of the RPAR Risk Parity ETF is to help protect investors during severe market downturns. The first quarter of 2020 offered a real-time stress test.

	January 2020	February 2020	March 2020	YTD 2020
<b>RPAR Risk Parity ETF</b>	<b>+3%</b>	<b>-1%</b>	<b>-6%</b>	<b>-4%</b>
Global Equities	-1%	-8%	-14%	-21%

- **January:** RPAR was up 3%
- **February:** RPAR lost 1%, while global equities declined 8%
- **March:** RPAR fell 6% as global stocks plunged 14%
- **First Quarter:** RPAR -4% versus global equities -21%, demonstrating resilience during one of the worst quarters in stock market history

*Data Source: Bloomberg as of 03/31/20. Global Equities represent the MSCI ACWI Index. Please see back of report for Index Disclosures. Past performance does not guarantee future results.*

- Some investors have expressed concerns about forward-looking returns and risks of buying Treasuries and TIPS given historically low interest rates.
- All asset class returns are influenced by interest rates. When cash rates are low, the future expected return of all asset classes are commensurately low since each offers a return above cash.
- Falling interest rates produce a tailwind for all assets as the discount rate used to determine the present value of the asset declines. Conversely, rising interest rates would pose a headwind for all assets.
- The key is to appreciate that interest rates typically rise during two main environments: improving economic growth and/or rising inflation.
- RPAR invests in asset classes that are biased to outperform during each of these economic environments to help offset weakness in Treasuries.
- However, should interest rates continue to trend down (as they have during the past 40 years), then Treasuries may outperform. Critically, without exposure to Treasuries, a period of falling interest rates may expose the total portfolio to material losses since rates normally fall when economic growth disappoints (as it has in 2020).
- One potential issue with the current low interest rate environment is the risk of deflation as the central bank has limited ability to stimulate the economy by cutting rates.
- Consequently, RPAR has a built-in mechanism to automatically reduce the target allocation to TIPS (an inflation hedge) in favor of Treasuries and gold (stronger deflation hedges) when long-term interest rates fall below 1%, as they did during Q1.

### **RPAR Risk Parity ETF (RPAR) Disclosures**

**Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus and SAI. A prospectus and SAI may be obtained by visiting [www.rparetf.com/rpar](http://www.rparetf.com/rpar). Please read the prospectus and SAI carefully before you invest.**

It is important to note that as the sponsor of RPAR, ARIS receives a portion of the fees collected, and therefore, is incentivized to market RPAR. This inherently creates a conflict of interest that you should carefully consider when deciding whether to invest in RPAR.

In the case of any investment company for which ARIS may serve as the sponsor and/or index provider while also recommending or soliciting an investment into such investment company, material information about the investment company and its strategy will be set forth in the respective Prospectus and Statement of Additional Information ("SAI") provided to clients prior to making any investments.

You can lose money on your investment in the RPAR Risk Parity ETF (the "Fund"). Diversification does not ensure a profit or protect against loss. The Fund is subject to a variety of risks which are included in the section of the Fund's Prospectus titled "Additional Information About the Fund— Principal Investment Risks." Some or all of these risks may adversely affect the Fund's net asset value per share ("NAV"), trading price, yield, total return and/or ability to meet its objectives.

As with all ETFs, shares in the Fund may be bought and sold in the secondary market at market prices. Although it is expected that the market price of shares of the Fund will approximate the Fund's NAV, there may be times when the market price of the shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of such shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for shares in the secondary market, in which case such premiums or discounts may be significant.

While ARIS does not manage the Fund, ARIS is the Fund's sponsor and also manages the Advanced Research Risk Parity Index ("RPARTR") which the Fund seeks to replicate. As such, ARIS is considered an affiliated index provider to the Fund. To mitigate any potential for conflicts as the Index Provider, ARIS has retained a separate, unaffiliated and independent third party, Solactive AG (the "Calculation Agent"). ARIS has no affiliation to the Fund's Calculation Agent, the Fund's adviser, the Fund's sub-adviser, the Fund's distributor, nor any of their respective affiliates. The Calculation Agent, using the applicable rules-based methodology, calculates, maintains, and disseminates RPARTR on a daily basis. ARIS monitors the results produced by the Calculation Agent to help ensure that RPARTR is being calculated in accordance with the applicable rules-based methodology. In addition, ARIS has established policies and procedures designed to prevent non-public information about pending changes to RPARTR from being used or dissented in an improper manner. Furthermore, ARIS has established policies and procedures designed to prevent improper use and dissemination of non-public information about the Fund's portfolio strategy.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. A decision to invest in the Fund should not be made in reliance on any of the statements set forth herein or any materials included herewith. Prospective investors are advised to make an investment in the Fund only after carefully considering the risks associated with investing in such Fund, as detailed in the Prospectus and SAI.

Risk parity is a portfolio allocation strategy using risk to determine allocations across various components of an investment portfolio. The Fund's exposure to investments in physical commodities may fluctuate rapidly and subjects the Fund to greater volatility than investments in traditional securities, such as stocks and bonds. Interest payments on TIPS are unpredictable and will fluctuate as the principal and corresponding interest payments are adjusted for inflation. Equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate. The Fund invests in foreign and emerging market securities which involves certain risks such as currency volatility, political and social instability and reduced market liquidity. The Fund may invest in securities issued by the U.S. government or its agencies or instrumentalities. There can be no guarantee that the United States will be able to meet its payment obligations with respect to such securities. Shares of the Fund are distributed by Foreside Fund Services, LLC.

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. Performance current to the most recent month-end can be obtained by calling (833) 540-0039. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Only returns greater than 1 year will be annualized. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.

The information contained herein is preliminary, is merely a summary, and is subject to change without notice. All of the information contained herein is qualified and will be superseded in its entirety with respect to the Fund by the terms and information expressed in the Fund's prospectus, SAI and other relevant governing documents. Any decision to invest in the Fund should be made only after carefully reviewing the relevant governing documents, conducting such inquiries and investigations as you deem necessary, and consulting with your own legal, accounting and tax advisors in order to make an independent determination of the suitability, risk and merits of investing in the Fund.

This information is only as current as of the date indicated, and may be superseded by subsequent market events or for other reasons. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision. This presentation should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy.

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General discussions contained within this presentation regarding the market or market conditions represent the view of either the source cited or ARIS. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns. The information contained herein is as of most recent quarter-end, unless otherwise indicated, is subject to change, and ARIS assumes no obligation to update the information herein.

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### Index Disclosures

**Global Equities:** The MSCI ACWI reflects the performance of large and mid-cap stocks across 23 developed and 26 emerging markets. As of December 2019, it covers more than 3,000 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market and takes into account variations reflecting conditions across regions, market cap sizes, sectors, style segments and combinations.

**Treasuries:** The Barclays Capital U.S. Treasury STRIPS 20-30 Year Equal Par Bond Index (BSEPTRUU) measures the investment return of Treasury STRIPS with maturities ranging from 20 to 30 years. A Treasury STRIP represents a single coupon or principal payment on a U.S. Treasury security that has been stripped into separately tradable components.

**TIPS:** The Bank of America Merrill Lynch 15+ Year US Inflation-Linked Treasury Index (BB: G8QI) is an unmanaged index comprised of U.S. Treasury Inflation Protected Securities with at least \$1 billion in outstanding face value and a remaining term to final maturity greater than or equal to 15 years.

**Commodity Producers:** The Morningstar Global Upstream Natural Resources Index (BB: MUNRT) reflects the performance of a selection of equity securities that are traded in or are issued by companies domiciled in global developed or emerging markets (including the U.S.). The companies included in the index have significant business operations in the ownership, management and/or production of natural resources in energy, agriculture, precious or industrial metals, timber and water resources sectors.

**Gold:** Reflects the percent change in the spot price of gold (BB: XAU).

**High Yield:** ICE BofA US High Yield Index tracks the performance of the US dollar denominated below investment grade corporate debt publicly issued in the US domestic market started in 1986. Investment grade rating is based on an average of Moody's, S&P, and Fitch. Index constituents are market capitalization weighted.

**Hedge Funds:** The HFRF Fund Weighted Composite Index is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance.