

## ABOUT

DVDN Investment Objective seeks to generate current income while maintaining prospects for capital appreciation.

Investment universe of ~100 publicly-listed Residential and Commercial Mortgage REITs And Business Development Companies (BDCs), along with other related public companies.

Actively managed portfolio of 11-18 companies.

## MACRO COMMENTARY

After the late-September 50-basis-point reduction in the federal funds rate, both longer-term (10-year treasury) yields and shorter-term (2-year treasury) yields increased by 51 basis points and 53 basis points, respectively. In addition to this parallel upward shift in the yield curve, Agency MBS spreads widened from 129 basis points to 154 basis points which exacerbated the pressure on Mortgage REIT stocks.

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

## DVDN POSITIONING

As reflected in the September results, Mortgage REIT and BDC stocks were under considerable pressure during October as market yields increased and credit spreads widened. KCM believes DVDN is well positioned for a recovery in share prices as it is (i) equal weight residential mortgage REITs; (ii) overweight commercial mortgage REITs with multifamily exposure; and (iii) underweight BDCs exposed to declining short-term interest rates that will reduce the yield on floating rate loans.

## DVDN INVESTMENT SECTORS

**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.

## 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 (Sep '24)	11.62%
Distribution Rate - 3Q24	10.96%**

\* See disclosure for important information regarding the 2023/2024 Expense Ratio.

\*\*See disclosure for important information regarding the 1Q24 and 2Q24 Distribution Rate.

## DVDN PERFORMANCE

MONTH-END PERFORMANCE - 10/31/2024						SINCE INCEPTION	
Fund Ticker	1-Mo	3-Mo	6-Mo	YTD	1-Yr	Cumulative	Annualized
DVDN NAV	(6.16%)	(6.94%)	3.15%	0.70%	---	20.32%	---
DVDN MKT	(6.15%)	(6.86%)	3.22%	0.82%	---	20.60%	---

QUARTER-END PERFORMANCE - 09/30/2024						SINCE INCEPTION	
Fund Ticker	1-Mo	3-Mo	6-Mo	YTD	1-Yr	Cumulative	Annualized
DVDN NAV	0.65%	6.31%	6.67%	7.31%	---	28.22%	---
DVDN MKT	0.80%	6.50%	6.87%	7.42%	---	28.51%	---

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 (800) 242-1000. 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. Returns beyond 1 year are 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 fund intends to pay out dividends and interest income, if any, quarterly. There is no guarantee these distributions will be made.

## THE DVDN INVESTMENT PORTFOLIO - TOP 10 HOLDINGS

COMPANY	TICKER	% OF PORTFOLIO
MFA Financial Inc.	MFA	6.72
Blackstone Secured Lending Fund	BXSL	6.69
Brightspire Capital Inc.	BRSP	6.67
Crescent Capital BDC Inc.	CCAP	6.60
Dynex Capital Inc.	DX	6.57
Claros Mortgage Trust Inc.	CMTG	6.54
Chimera Investment Corp	CIM	6.53
New York Mortgage Trust Inc.	NYMT	4.94
FS KKR Capital Corp	FSK	4.89
KKR Real Estate Finance Trust	KREF	4.88

Data accurate as of 10/31/24.

Source: KCM.

Past performance does not guarantee future returns.

Holdings are subject to change.

## LEGAL DISCLOSURES

### **Must be preceded or accompanied by a prospectus.**

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.

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. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any government agency. The principal risks described herein pertain to direct risks of making an investment in the Fund and/or risks of the issuers in which the Fund invests.

*Market Risk.* The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest rates, adverse changes to credit markets or adverse investor sentiment generally. The value of a security may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

*Issuer Risk.* The value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage or other risk factors described in this prospectus. The principal risk that are expected to affect the issuers in which the Fund invests are derivatives risk, prepayment risk, spread risk, liquidity risk, and credit risk.

*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. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is a principal risk of investing in the Fund.

*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. Share prices of publicly traded REITs may decline because of adverse developments affecting the residential and commercial real estate industry, residential and commercial property values, including supply and demand for residential and commercial properties, the credit performance of residential and commercial mortgages, the economic health of the country or of different regions, and interest rates. REITs often invest in highly leveraged residential and commercial properties. Returns from REITs, which typically are small or medium capitalization stocks, may trail returns from the overall stock market. In addition, changes in interest rates may hurt residential and commercial real estate values or make REIT shares less attractive than other income-producing investments. REITs are also subject to heavy cash flow dependency and defaults by borrowers and tenants. The Fund may pay higher fees than shareholders in funds that do not hold shares of underlying publicly traded REITs because the underlying REITs impose fees in addition to those imposed by the Fund.

## LEGAL DISCLOSURES

*Risks of Investing in BDCs.* The Fund may invest in publicly traded BDCs. A BDC is a type of closed-end investment company regulated under the 1940 Act. The types of BDCs in which the Fund will typically invest in and lend to small and medium-sized private and certain public companies that may not have access to public equity or debt markets for capital raising. At least 70% of a BDC's investments must be made in private and certain public U.S. businesses, and BDCs are required to make available significant managerial assistance to their portfolio companies. BDCs are not taxed on income distributed to their shareholders, provided they comply with the applicable requirements of the Code.

Investments in BDCs 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. Securities that are not publicly registered may be difficult to value and may be difficult to sell at a price representative of their intrinsic value. Small and medium-sized companies also may have fewer lines of business so that changes in any one line of business may have a greater impact on the value of their stock than is the case with a larger company. To the extent a BDC focuses its investments in a specific sector, the BDC will be susceptible to adverse conditions and economic or regulatory occurrences affecting the specific sector or industry group, which tends to increase volatility and result in higher risk. Investments in BDCs are subject to various risks, including management's ability to meet the BDC's investment objective and to manage the BDC's portfolio when the underlying securities are redeemed or sold, during periods of market turmoil and as investors' perceptions regarding a BDC or its underlying investments change.

Certain BDCs may use leverage in their portfolios through borrowings or the issuance of preferred stock. While leverage may increase the yield and total return of a BDC, it also subjects the BDC to increased risks, including magnification of any investment losses and increased volatility in the net asset value ("NAV") and/or market value of the BDC's shares. In addition, a BDC's income may fall if the interest rate on any borrowings of the BDC rises. As a publicly offered BDC is considered a closed-end investment company under the 1940 Act, investments in BDCs may be limited by the provisions of Section 12(d)(1) of the 1940 Act. Also, as a shareholder in a BDC, the Fund would bear its ratable share of that BDC's expenses and would remain subject to payment of the BDC's management fees and other expenses with respect to assets so invested. The Fund would therefore be subject to duplicative expenses to the extent it invests in BDCs.

*Risks of investing in VDLs.* VDLs 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. Since venture debt lending is a method of financing for early-stage and growth stage companies, these companies may not have positive cash flow, assets, a proven credit history or reliable revenue streams. A venture debt lender assumes risks associated with such companies. There is significant competition in the industry for VDLs. Loans issued by VDLs can have fixed rates or floating rates with net interest margin variability managed by borrowing similar amounts of fixed and floating rate debt.

*Mortgage-Related Securities Risk.* The Fund, or the issuers in which the Fund invests, may buy interests in pools of residential or commercial mortgages in the form of "pass-through" mortgage securities. They may be issued or guaranteed by the U.S. government, or its agencies and instrumentalities, or by private issuers. The prices and yields of mortgage-related securities are determined, in part, by assumptions about the rate of payments of the underlying mortgages and are subject to the risks of unanticipated prepayment and extension risks. Mortgage-related securities are also subject to interest rate risk, and the market for mortgage-backed securities may be volatile at times and may be less liquid than the markets for other types of securities. Mortgage-related securities issued by private issuers are not U.S. government securities and are subject to greater credit risks than mortgage related securities that are U.S. government securities.

## LEGAL DISCLOSURES

*Interest Rate Risk.* The value of the Fund, or of the Fund's investments, may fluctuate based upon changes in interest rates and market conditions. Specifically, when interest rates rise, the market values of fixed-income securities normally decrease. For example, bonds and preferred stocks having a fixed dividend rate tend to decrease in value when interest rates rise. Debt obligations with longer maturities typically offer higher yields but are subject to greater price movements as interest rates change than debt obligations with shorter maturities. To the extent that the Adviser anticipates interest rate trends imprecisely, the Fund could miss yield opportunities or its share price could fall. Changes in inflation, monetary policy, government policy, and government spending may affect the level of interest rates.

In an effort to reduce the rate of inflation, the Federal Reserve raised short-term rates over 400 basis points during the past year. While public company investors in mortgage-related securities generally had strategies in place to protect the value of their investments as rates increased, to varied degrees across companies, mortgage security prices were negatively impacted and net investment income declined as financing costs increased. To the extent the Federal Reserve continues to increase short-term rates, or there is a substantial period of time until short-term rates decline, mortgage security prices could continue to be negatively impacted at the same time company net interest margins also decline. The combination of lower mortgage security prices and reduced net interest margin would very likely result in lower dividend distributions to the Fund that would result in lower distributions from the Fund to its investors.

*Active Management Risk.* As an actively managed investment portfolio, the Fund is subject to decisions made by the Adviser's portfolio managers. The Adviser's investment decisions about individual securities impact the Fund's ability to achieve its investment objective. The Adviser's judgments about the attractiveness and potential returns for specific investments in which the Fund invests may prove to be incorrect and there is no guarantee that the Adviser's investment strategy will produce the desired results.

*Concentration Risk.* The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries, which will subject the Fund to the risk that economic, political or other conditions that have a negative effect on those sectors and/or industries may negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries. The Fund will concentrate its investments in securities of mortgage REITs, which will subject the Fund to the risks of those securities to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

*Non-Diversification Risk.* The Fund is non-diversified, which means that it may invest a greater percentage of its assets in a particular issuer than a diversified fund. Non-diversification increases the risk that the value of the Fund could go down because of the poor performance of a single investment or limited number of investments.

## LEGAL DISCLOSURES

*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. Generally, the lower the credit rating of a security, the higher the degree of risk as to the payment of interest and return of principal.

- Interest Rate Risk. Changing interest rates may adversely affect the value of fixed-income securities and loans. An increase in interest rates typically causes the value of fixed income securities to fall. Changes in interest rates will affect the value of longer-term fixed-income securities more than shorter-term fixed income securities.
- Credit Risk. The issuer of a fixed-income security or the borrower on a loan may unwilling or unable to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.
- Change in Rating Risk. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return.
- Duration Risk. Prices of fixed-income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities.
- Prepayment Risk. Loans and the underlying mortgages in mortgage related securities typically permit the borrower to prepay their loan. When interest rates decline, borrowers may pay off their loans or mortgages sooner than expected. This can reduce the returns of a lender or holder of a mortgage-related security because they may have to reinvest that money at the lower prevailing interest rates.
- Extension Risk. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the Fund, or an issuer in which the Fund invests, holds mortgage-related securities, it may exhibit additional volatility since individual mortgage holders are less likely to exercise prepayment options, thereby putting additional downward pressure on the value of these securities and potentially causing the Fund to lose money.
- Income Risk. The Fund's income could decline due to falling market interest rates. In a falling interest rate environment, the Fund may invest its assets in lower-yielding securities. Because interest rates vary, it is impossible to predict the income or yield of the Fund for any particular period. In a falling interest rate environment, there may be lower-yielding securities.
- Spread Risk. Investment security spreads -- the basis, or spread, between the interest rate for a security or a loan relative to a relevant index -- generally reflect the credit and/or the demand and supply situation for a particular security. Generally, widening investment spreads result in decreased asset values and narrowing investment spreads result in increased asset values.

## LEGAL DISCLOSURES

*U.S. Government Securities Risk.* The Fund may invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities. Some of those securities are directly issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. "Full faith and credit" means that the taxing power of the U.S. government is pledged to the payment of interest and repayment of principal on a security. Some securities issued by U.S. government agencies, such as Government National Mortgage Association pass-through mortgage obligations (Ginnie Mae), are also backed by the full faith and credit of the U.S. government. Others are supported only by the credit of the agency that issued them (for example, obligations issued by the Federal Home Loan Banks, "Fannie Mae" bonds issued by the Federal National Mortgage Association and "Freddie Mac" obligations issued by the Federal Home Loan Mortgage Corporation). In September 2008, the Federal Housing Finance Agency placed the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation into conservatorship.

*U.S. Treasury Securities Risk.* Treasury securities are backed by the full faith and credit of the U.S. government for payment of interest and repayment of principal and have relatively little credit risk. Some of the securities that are issued directly by the U.S. Treasury are: Treasury bills (having maturities of one year or less when issued), Treasury notes (having maturities of from one to ten years when issued), Treasury bonds (having maturities of more than ten years when issued) and Treasury Inflation-Protection Securities (TIPS). While U.S. Treasury securities have relatively little credit risk, they are subject to price fluctuations from changes in interest rates prior to their maturity.

*Large Capitalization Securities Risk.* Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion. Large cap companies may be less able than mid and small capitalization companies to adapt to changing market conditions.

*Mid and Small Capitalization Securities Risk.* The value of mid and small capitalization company securities may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general.

*Liquidity Risk.* The risk that a particular investment may be difficult to purchase or sell and that the Fund, or an issuer in which the Fund invests, may be unable to sell illiquid investments at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in certain securities or derivatives.

*Foreside Fund Services, LLC. Distributor.*

## LEGAL DISCLOSURES

The Kingsbarn Dividend Opportunity ETF (the “Fund”, or “DVDN”) is an actively managed portfolio of 11-18 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”), along with other related public companies.

The Fund’s total expense ratio, as reported in its prospectus dated March 17, 2023, is 1.72% that is comprised of an ongoing management fee of 0.90% (90 basis points) and 0.82% (82 basis points) related to acquired fund fees and expenses pertaining to the 2023/2024 fiscal year. The Fund’s total expense ratio has been updated to 90 basis points as reflected in the DVDN Semi-Annual Report for the period ended April 30, 2024, (Page 8) that can be reviewed at [www.kingsbarncapital.com](http://www.kingsbarncapital.com)

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.

Mortgage REITs and BDCs periodically pay “special” or “supplemental” dividends that can result in some variability in the 30-Day SEC Yield. The primary reason companies provide these distributions is to indicate to investors they may not be “permanent” whereas management believes the “core” dividend is more likely to be resilient in the face of declining interest rates. The data block provides the monthly SEC 30-Day Yield for the most recent quarter to provide investors a view on the variability in periodic cash flows into the Fund. Investors should also be aware the 30-Day SEC Yield is also based upon the NAV of the Fund that can also vary during each month and quarter.

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

Investors should take note of the following matters pertaining to the 4Q23, 1Q24 and 2Q24 Dividend Distributions and the calculation of the Fund’s Distribution Rate.

Investors should understand the Fund’s external accountants have a quarterly “cut-off” date prior to the actual end of a quarter (generally the 15th day of the third month of each quarter) that provides sufficient time to perform all calculations involved in declaring a dividend.

Further, as most of companies in the DVDN portfolio pay a quarterly dividend that goes ex-dividend (the date the dividend is owed to the Fund) during the last 7-10 days of the quarter, quite a few of these company dividends “go ex” after the quarterly cut-off date and are therefore not recorded as Investment Income that determines that quarter’s dividend.

## LEGAL DISCLOSURES

With this information, a few comments on how this impacted the 4Q23 Dividend Distribution and Distribution Rate and will also impact the 1Q24 and 2Q24 Dividend Distribution and Distribution Rate.

- **4Q23** – As DVDN was launched in November 2023, the 4Q23 dividend of \$0.81 was the Fund's first dividend distributed to investors. Further, as it was also the final quarter of the calendar year, the Fund's accountants estimated the dividends the Fund would receive from portfolio companies after the 4Q23 cut-off date (mid-December 2023). The reason for doing this was to make sure the dividend distribution did not result in any negative tax issues for the Fund or investors. The resulting 4Q23 Distribution Rate, including actual and estimated dividends received from portfolio companies, as reported by the Fund's accountants, was 12.79%.
- **1Q24** – During 1Q24, the Fund's accountants determined the 1Q24 investor dividend of \$0.52 based upon a 3/15/24 cut-off date that understated the total investment income used to compute the 1Q24 as it excluded the dividends received by the Fund from several of the Fund's portfolio companies. The reason for the understatement of Investment Income was due to the Fund's accountants only estimating dividends after the cut-off date for the 4th quarter of each year, rather than doing so each quarter. We believe the 1Q24 Distribution Rate would have been similar to the Fund's 4Q23 Distribution Rate if the 1Q24 cut-off date would have been in early April 2024 rather than mid-March 2024.
- **2Q24** – In response to the 1Q24 understatement, DVDN's portfolio managers requested a change in all future quarterly cut-off dates, beginning 2Q24, to occur early in the month following a quarter-end so that all stock dividends received each calendar quarter would be included in each quarterly dividend calculation. Investors should understand the result of this change in the quarterly cut-off date, specific to the 2Q24 dividend, will be (a) to include the undistributed 1Q24 income in the 2Q24 investor dividend; and (b) to include the full quarterly dividends received by the Fund as the 2Q24 cut-off date will be in early July 2024.

The DVDN 2Q24 distribution was \$1.093777 resulting in a Distribution Rate of 14.90% that was determined by annualizing this distribution and dividing it by the ending 2Q24 NAV of \$29.36. **Investors should note that this Distribution Rate is not sustainable.**

- **3Q24** – DVDN announced 3Q24 distribution of \$0.824799 that resulted in a 3Q24 Distribution Rate of 10.96% based upon 3Q24 ending Net Asset Value ("NAV") of \$30.11.

Investors should not rely on either the historical 30-Day SEC Yield or the Distribution Rate 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 Rate 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.