

The Aptus Defined Risk Strategy

- We see income generation as a major issue for investors in a low interest rate environment. One can pursue higher income by extending maturities or accepting poorer credit, but each of those brings its own risk.
- Using an “income plus” approach, we combine laddered bonds with asymmetric equity exposure. We accept market rates for a broad basket of investment-grade corporate bonds maturing annually over the next decade. This comprises at least 90% of the strategy, with the rest pursuing equity gains using long call options.
- Call options can capture a significant percentage of the upside in a rising market, and limit downside to the dollars invested in those options. The asymmetric payoff opportunity of a call option enables us to seek participation in a market advance while the bulk of the portfolio owns an indexed basket of investment-grade bonds.

Fund Performance(%) as of 09/30/2019

	Q3	YTD	1 Year	3 Year	Inception
NAV	1.03	11.35	13.10	N/A	11.84
Market Price	0.62	11.05	12.96	N/A	11.89

The performance data represents past performance & does not guarantee future results. Investment return & principal value of an investment will fluctuate so that an investor's shares may be worth more or less than their original cost when sold or redeemed. Current performance may be higher or lower than the performance quoted. Returns for periods greater than one year are annualized. The benchmark, Bloomberg Barclays US Agg, is a market-cap weighted index of intermediate-term US investment-grade bonds. For performance data current to the most recent month end, please call (251) 517-7198, or visit www.aptusetfs.com

Top Ten Holdings as of 09/30/2019

<u>Security Description</u>	<u>Weight %</u>
iShares iBonds Dec 2026 Corp ETF	13.57%
iShares iBonds Dec 2025 Corp ETF	13.42%
iShares iBonds Dec 2024 Corp ETF	13.31%
iShares iBonds Dec 2023 Corp ETF	13.20%
iShares iBonds Dec 2022 Corp ETF	13.11%
iShares iBonds Dec 2021 Corp ETF	13.04%
iShares iBonds Dec 2020 Corp ETF	12.97%
SPDR SPY Option Sep 19 287 Put	0.75%
Apple Option Dec 19 225 Call	0.43%
Microsoft Option Dec 19 140 Call	0.43%

1) 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.

2) 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.

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

Fifty stocks comprise half the value of the U.S. equity market. Owning 10-20 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 09/30/19)

Fund Ticker	DRSK
Inception Date	8/8/18
# of Holdings	20
Expense Ratio	0.78%
Assets under Mgmt	\$151.93 mil

Trading Details

Primary Exchange	CBOE
CUSIP	26922A388
ISIN	US26922A3885
Shares Outstanding	5700000.000
Distributor	Quasar Distributors
Advisor	Aptus Capital Advisors



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.

Shares of any ETF are bought and sold at Market Price(not NAV) and are not individually redeemed from the fund. Brokerage commissions will reduce returns. Market returns are based upon the midpoint of the bid/ask spread at 4:00pm Eastern Time(when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times.

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 which 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.

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.

Please carefully consider the funds objectives, risks, charges, and expenses before investing. The statutory or summary prospectus contains this and other important information about the investment company. For more information, or a copy of the full or summary prospectus, visit www.aptusetsfs.com, or call (251) 517-7198. Read carefully before investing.



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