Rareview Dynamic Fixed Income ETF (RDFI)
Investment Case

rareview capital

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UNDERSTANDING RDFI

RDFI is an innovative ETF that seeks to combine the traditional benefits of a dynamic fixed income strategy with the non-traditional advantages of closed-end funds.

DYNAMIC FIXED INCOME – TRADITIONAL BENEFITS

A comprehensive fixed income strategy where asset-class exposure is managed dynamically and driven by market opportunities and risks.

Blended Approach

- Seeks a blend of structural, tactical, and idiosyncratic opportunities across fixed income.

Protection

- Flexibility to use stabilizing assets and hedging positions to provide downside protection and preserve capital.

Income

- Aims to deliver sustainable income.

CLOSED-END FUNDS – NON-TRADITIONAL ADVANTAGES

Closed-end funds have three potential sources of return attribution: distribution yield, share price appreciation, and discount-to-NAV capture. Our investment process is aimed at harvesting all three.

High Distribution Yield

- The average yield in our target universe of fixed income closed-end fund holdings is 10.21%.

Principal Appreciation

- Potential principal appreciation from market beta exposure to broad fixed income asset classes.

Alpha Generation

- The potential to generate alpha through changes in closed-end fund discounts-to-Net Asset Value.

HOW WE FIT IN

- **Active Management**: Investment decisions are made by portfolio manager with extensive background investing in fixed income and closed-end funds, providing the potential to outperform.
- **Model-Driven:** A proprietary model to select the least expensive closed-end funds within each asset class.
- **Risk Overlay:** Utilize the Firm's expertise in the options markets to protect the Fund in the event of a significant rise in volatility or interest rates.

THE END RESULT

- **Yield**: Closed-end funds trading at a discount to their Net Asset Value typically offer higher yield and return potential.
- **Yield Differential**: Fixed income closed-end fund yields relative to the respective cash bonds may be maintained or potentially increased if leverage costs fall.
- **Reliability:** Seeks to deliver above-average fixed monthly distributions.
- **Diversification**: Hold closed-end funds across fixed income asset classes and investment managers. Offer investment opportunities into specialized pools and/or less liquid assets that would not otherwise be attainable without certain business relationships or experience.
- **Liquidity**: Fixed income closed-end funds are frequently more liquid than many individual bonds. Closed-end funds are typically listed on a major exchange, such as the New York Stock Exchange. The trading efficiency afforded by closed-end funds allows the investment team to quickly and cost-effectively alter portfolio exposures to reflect prevailing market opportunities.

WHERE DOES RDFI FIT INTO AN INVESTOR'S PORTFOLIO?

- Income solution.
- Dynamic fixed income is designed for investors looking for portfolio allocations in all areas of the bond market, as well as a desire to add yield to their portfolio and have protection in rising interest rate environments.
- The portfolio potentially provides a well-diversified base from where other bond strategies can be added.
- May offer a compelling complement to core bond allocations given its potential risk-adjusted return profile and low correlation to core bonds and equities.
- The risk management and tactical features of a dynamic fixed income strategy could replace and improve individual bond positions within traditional portfolios.
- Potential replacement for US high yield, US investment grade, US leveraged loans, US preferred, and hard currency emerging market debt.
- In an uncertain environment where volatility has reemerged and fiscal deficits are expanding at a rapid pace, investors may want to consider a flexible bond strategy to diversify their fixed income risk.

IMPORTANT RISK CONSIDERATIONS

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated objectives. The Fund's performance, because it is a fund of funds, is dependent on the performance of the Underlying Funds. The Fund is subject to the risks of the Underlying Funds' investments, and the Fund's shareholders will indirectly bear the expenses of the Underlying Funds. In addition, at times certain segments of the market represented by the Underlying Funds may be out of favor and underperform other segments. The shares of a closed-end fund may trade at a discount or premium to its net asset value ("NAV"). Additionally, the securities of closed-end investment companies in which the Fund will invest may be leveraged. As a result, the Fund may be indirectly exposed to leverage through an investment in such securities. An investment in securities of closed-end investment companies that use leverage may expose the Fund to higher volatility in the market value of such securities and the possibility that the Fund's long-term returns on such securities (and, indirectly, the long-term returns of the Shares) will be diminished. An investment in the Fund may be subject to risks which include, among others, market, municipal securities, high yield securities, credit, interest rate, call, tax, liquidity, leverage, anti-takeover measures, non-diversified, investment restrictions, operational, authorized participant concentration, no guarantee of active trading market, trading issues, active management, fund shares trading, premium/discount and liquidity of fund shares and concentration risks, all of which may adversely affect the Fund. New federal or state governmental action could adversely affect the tax-exempt status of securities held by the Fund, resulting in higher tax liability for shareholders and potentially hurting Fund performance as well.

A portion of the distribution rate may be attributable to return of capital. A return of capital is a return of all or part of a shareholder's original investment in the Fund. A return of capital may occur if the Fund makes distributions in an amount that exceeds the Fund's net investment income and net capital gain. Exchange-Traded Funds (ETFs) trade like stocks, are subject to investment risk, and will fluctuate in market value. Unlike mutual funds, ETF shares are not individually redeemable directly with the Fund and are bought and sold on the secondary market at market price, which may be higher or lower than the ETF's net asset value (NAV). Transactions in shares of ETFs will result in brokerage commissions, which will reduce returns.

FINANCIAL TERMS

Net Asset Value (NAV): A mutual fund's price per share or exchange-traded fund's (ETF) per-share value. In both cases, the per-share dollar amount of the fund is calculated by dividing the total value of all securities in its portfolio, less any liabilities, by the number of fund shares outstanding. **Discount-to-NAV:** A pricing situation that occurs with a closed-end fund when its market price is currently lower than the net asset value of its components. **Annualized Distribution Yield**: The most recently announced dividend amount, annualized based on the payment frequency, then divided by the last price on the period end date. **Alpha**: We determine Alpha as the relative return of a Closed-End Fund's (CEF) share price to its Net Asset Value (NAV). Any return of the share price that is greater than the NAV is deemed to be positive alpha. Any return that is negative than the NAV is deemed to be negative alpha. **Beta**: A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's full and summary prospectus, which may be obtained by visiting www.rareviewcapital.com. Read the prospectus carefully before investing.

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