

January 31, 2024

Investment Objective

CPII seeks to profit from its direct exposure to inflation and inflation expectations as well as increasing interest rates.

Inflation Protection

After decades of muted price increases, we may now be entering into a prolonged inflationary environment. CPII seeks to provide a solution for investors who want exposure to an investment designed to profit from elevated inflation and increasing inflation expectations.

Portfolio Positioning

- Direct exposure to inflation and elevated inflation expectations
- Diversifier to an equity allocation
- Alternative to a traditional fixed income allocation

Fund Information

Ticker	CPII
CUSIP	886364553
ETF Inception	June 28, 2022
Gross Expense Ratio	0.70%
Dividend Schedule	Monthly
Net Assets	\$12.5M
NAV	\$19.23
Primary Exchange	NYSE Arca
Distributor	Foreside Fund Services, LLC
ETF Provider	Tidal ETF Services

Differentiated Approach

Many other “inflation” ETFs are focused on equities or commodities that could profit in inflationary environments. They are linked or correlated to inflation but introduce significant basis risk as compared to CPII’s portfolio that is designed to profit directly from inflation and inflation expectations – Ionic believes inflation swaps are the most direct way to profit from elevated inflation.

Strategy Implementation

Instrument	Exposure Provided
Zero Coupon 5-Year Inflation Swaps	Benefits from high realized inflation and increases in inflation expectations
2-Year Payer Swaptions on 5-Year U.S. Rates	Benefits from increasing interest rates
Treasury Inflation-Protected Securities (TIPS)	Benefits from rising inflation and provides a yield to supplement derivative exposures

Performance

	Month-end as of January 31, 2024					Quarter-end as of December 31, 2023			
	1MO	3MO	6MO	YTD	ITD	1YR	3YR	5YR	ITD
CPII NAV	1.38%	-1.79%	1.64%	1.38%	4.03%	1.58%	-	-	2.61%
CPII Market Price	1.23%	-1.79%	1.58%	1.23%	4.38%	1.80%	-	-	3.12%

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 866-214-2234 or visiting www.cpiietf.com. 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. NAV is 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. Market Price is the current price at which shares are bought and sold. Market returns are based upon the last trade price.

Scenario Analysis

Zero Coupon 5-Year Inflation Swaps			2-Year Payer Swaptions on 5-Year U.S. Rates			TIPS		
Inflation Expectations Increase	Inflation Expectations Decrease	Expected Carry	Interest Rates Increase	Interest Rates Decrease	Expected Carry	Bond Prices Increase	Bond Prices Decrease	Expected Carry
+	-	+	+	-	-	+	-	+

+ Indicates the potential for a positive return of the designated instrument; - Indicates a negative return of the designated instrument. Expected Carry – for the: (i) swaps, assumes realized inflation remains above the fixed leg of the swaps; (ii) swaptions, represents the decrease in value solely through the passage of time; and (iii) TIPS, assumes CPI plus real rates remains greater than zero.

Holdings

Security Name	% of Net Assets
United States Treasury Inflation Indexed Bonds 0.25% 01/15/2025	12.13%
United States Treasury Inflation Indexed Bonds 0.5% 04/15/2024	12.11%
United States Treasury Inflation Indexed Bonds 0.125% 10/15/2024	12.04%
United States Treasury Inflation Indexed Bonds 0.125% 07/15/2024	12.02%
United States Treasury Inflation Indexed Bonds 0.125% 04/15/2025	12.01%
United States Treasury Inflation Indexed Bonds 0.125% 10/15/2025	11.94%
United States Treasury Inflation Indexed Bonds 0.375% 07/15/2025	11.84%
United States Treasury Inflation Indexed Bonds 0.625% 01/15/2026	10.80%
Cash & Other	2.61%
IRS SWAPTION PAYER 4.25% 01/05/2026	2.60%
IRS PAY FIXED 2.335% 01/08/2029	-0.09%

About Ionic Capital Management LLC

Ionic is a \$3.5 billion* New York based alternative asset manager that employs long volatility, relative value arbitrage, inflation protection and value equity investment strategies on behalf of private and regulated investment funds. Since its inception in 2006, Ionic has been managing proprietary strategies and customized solutions.

*Assets under management in this presentation are provided as of February 1, 2024 and are inclusive of notionally funded mandates.

Definitions

Carry – Generally refers to the expected return from owning an asset (positive carry) or the cost of owning an asset (negative carry), assuming all other factors remain constant.

Swaps – Swaps are contracts where one party “swaps” one type of cash flow for a different type of cash flow. CPII will primarily enter into inflation swaps that reference the U.S. Consumer Price Index. For these inflation swaps, one party agrees to pay to the other party the percentage increase in the U.S. Consumer Price Index during the term of the swap, while the other party agrees to pay back a fixed rate.

Swaption – An option to enter into an interest rate swap or some other type of swap. In exchange for an options premium, the buyer is granted the right but not the obligation to enter into a specified swap agreement with the issuer on a date specified in the future.

TIPS – A type of U.S. Treasury security issued by the government. TIPS are indexed to the rate of inflation in order to protect investors from a decline in their purchasing power.

Disclaimer

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 (866) 214-2234 or visit our website at www.cpiietf.com. Read the prospectus or summary prospectus carefully before investing.

Investments involve risk. Principal loss is possible. **Cayman Subsidiary Risk.** By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. **Counterparty Risk.** The risk of loss to the Fund for swaps that are entered into on a net basis depends on which party is obligated to pay the net amount to the other party. **Credit Risk.** The Fund's investments are subject to the risk that issuers and/or counterparties will fail to make payments when due or default completely. **Cybersecurity Risk.** With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security, and related risks. **Derivatives Risk.** The Fund's derivative investments have risks, including the imperfect correlation between the value of such instruments and the underlying assets or index; the loss of principal, including the potential loss of amounts greater than the initial amount invested in the derivative instrument; the possible default of the other party to the transaction; and illiquidity of the derivative investments. **Interest Rate Risk.** Generally, the value of fixed income securities (not including TIPS) will change inversely with changes in interest rates. **New Fund Risk.** The Fund is a recently organized management investment company with no operating history. **Non-Diversification Risk.** Because the Fund is "non-diversified," it may invest a greater percentage of its assets in the securities of a single issuer or a smaller number of issuers than if it was a diversified fund. **Swap Risk.** Swaps are entered into primarily with major global financial institutions for a specified periods. The swaps in which the Fund invests are generally traded in the over-the-counter market, which generally has less transparency than exchange-traded derivatives instruments. **TIPS Risk.** Interest payments on TIPS are unpredictable and will fluctuate as the principal and corresponding interest payments are adjusted for inflation. **U.S. Treasury Securities Risk.** The Fund will invest in U.S. Treasury securities issued or guaranteed by the U.S. Treasury. U.S. government securities are subject to market risk, interest rate risk and credit risk.

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