

# ZHDG

## THE ZEGA BUY AND HEDGE ETF

### INVESTMENT OBJECTIVE

The ZEGA Buy and Hedge ETF (ZHDG) seeks long-term capital appreciation while mitigating overall market risk.

### INVESTMENT APPROACH

The ZHDG portfolio invests in index-based equity options and yield-bearing positions seeking to achieve its objective.

The portion of the portfolio invested in equity index options provides long-term exposure to the equity markets, seeking upside potential while mitigating downside risk.

The portion of the portfolio invested in yield-bearing positions seeks cash generation to purchase the equity index options.

### WHY INVEST

By using a combination of equity options and yield-bearing positions, ZEGA Financial seeks to capture the majority of stock appreciation while limiting equity loss.

### POSITIONING

We believe The ZEGA Buy and Hedge ETF can be used as a core holding or replacement for a traditional 60/40 stock-to-bond portfolio.



### FUND INFORMATION

INCEPTION JULY 6, 2021

FUND DETAILS		TRADING DETAILS	
NAV	\$17.43	TICKER	ZHDG
FUND AUM	\$53.2M	CUSIP	886364660
# OF HOLDINGS	17	PRIMARY EXCHANG	NYSE Arca
OPTIONS-BASED	4	TYPE	Active
YIELD-BEARING	13	EXPENSE RATIO <sup>1</sup>	0.98%
30-DAY SEC YIELD*	0.76%	DISTRIBUTION FREQ	Annual

\*As of June 30, 2023. The 30-Day SEC Yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and does not reflect waivers in effect.

### TOP 10 FUND HOLDINGS

POSITIONS - OPTIONS	%
SPY 12/19/2025 150.01 C	68.13
SPY 01/17/2025 370.01 P	0.8
SPY 06/21/2024 370.01 P	0.5
SPY 03/15/2024 370.01 P	0.3
POSITIONS - YIELD-BEARING & OTHER	%
UNITED STATES TREAS NTS 3% 06/30/2024	9.1
UNITED STATES TREAS NTS 0.75% 12/31/2023	7.2
UNITED STATES TREAS NTS 0.75% 11/15/2024	7.2
IHS MARKIT LTD 3.625% 05/01/2024	0.5
DISH DBS CORPORATION 5.875% 11/15/2024	0.4

Holdings are subject to change.

### PERFORMANCE

	Month-end as of June 30, 2023				Quarter-end as of June 30, 2023			
	YTD	1 MONTH	3 MONTHS	INCEPTION	1 YEAR	3 YEARS	5 YEARS	INCEPTION
Market Price	10.14%	5.16%	5.60%	-8.47%	7.85%	—	—	-4.37%
Fund NAV	10.15%	5.06%	6.18%	-8.50%	7.80%	—	—	-4.38%
S&P 500 Index*	16.89%	6.61%	8.74%	5.74%	19.59%	—	—	2.85%
Barclays US Agg Index*	2.09%	-0.36%	-0.84%	-11.56%	-0.94%	—	—	-6.01%

\*Indexes are unmanaged. One cannot invest directly in an index.

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 833-415-4006. 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, monthly. There is no guarantee these distributions will be made.

## NOTES AND IMPORTANT INFORMATION

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 (833) 415-4006 or visit our website at [www.zegaetfs.com](http://www.zegaetfs.com). Read the prospectus or summary prospectus carefully before investing.

<sup>1</sup>The Expense Ratio includes management fees and Acquired Fund Fees and Expenses. If Acquired Fund Fees and Expenses were excluded, the Expense Ratio would be 0.95%.

## FUND RISKS:

**Equity Market Risk.** The equity securities underlying the Fund's option investments may experience sudden, unpredictable drops in value or long periods of decline in value.

**Derivatives Risk.** The Fund invests in options, which are a form of derivative investment. Derivatives 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; and illiquidity of the derivative investments. The derivatives used by the Fund may give rise to a form of leverage. Leverage magnifies the potential for gain and the risk of loss.

As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund's NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility.

The Fund may invest in fixed income securities directly or through ETFs or other investment companies. Fixed income securities are subject to interest rate risk (discussed further herein), call risk, prepayment and extension risk, credit risk (discussed further herein), and liquidity risk. Interest rates may go up resulting in a decrease in the value of the fixed income securities held by the Fund. Credit risk is the risk that an issuer will not make timely payments of principal and interest. 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. As a result, a decline in the value of an investment in a single issuer or a smaller number of issuers could cause the Fund's overall value to decline to a greater degree than if the Fund held a more diversified portfolio.

**New Fund Risk.** The Fund is a recently organized management investment company with no operating history.

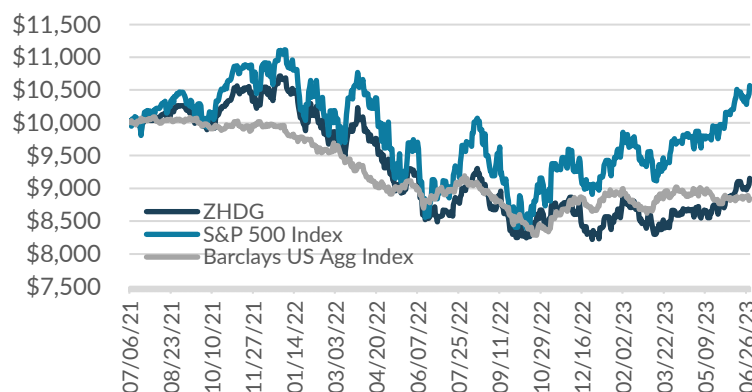
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## ABOUT THE FIRM

ZEGA Financial, founded in 2011, is an SEC-registered investment adviser and investment manager that specializes in derivatives.



## GROWTH OF \$10,000 SINCE INCEPTION



This chart illustrates how a hypothetical investment of \$10,000 might have grown. It assumes that dividends and capital gains have been reinvested and is either calculated at net asset value NAV or market price. It doesn't reflect any sales fees or taxes that may have been charged. Results are not indicative of future performance.

## RISK INFORMATION SINCE INCEPTION

STATISTICS	ZHDG	S&P 500 TR
Standard Deviation	6.95%	19.63%
Sharpe Ratio	-0.50	0.13
Sortino Ratio	-0.47	N/A

## ZHDG VS. S&amp;P 500 TR

Upside Capture Ratio	0.22
Downside Capture Ratio	0.28
Max Drawdown %	-11.44
Months to Recovery	N/A

Source: Bloomberg

## DEFINITIONS

**Barclays US Aggregate Bond Index:** The Bloomberg Barclays US Aggregate Bond Index, is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the US.

**Downside Capture Ratio:** A statistical measure of an investment's performance vs. a benchmark in down-markets.

**Max Drawdown %:** The maximum observed loss from a peak to a trough of a portfolio, before a new peak is attained.

**Months to Recovery:** The number of months it takes for an investment to bounce back following a decline.

**Option:** A call (put) option gives the owner the right, but not the obligation to purchase (sell) the underlying instrument at the option's strike price at or before option expiration (American option) or at expiration (European option).

**S&P 500 Index:** The S&P 500 Index is a market capitalization-weighted index of the 500 largest U.S. publicly traded companies.

**Sharpe Ratio:** The Sharpe ratio uses standard deviation to measure a portfolio's risk-adjusted returns.

**Sortino Ratio:** A variation of the Sharpe ratio that only factors in downside risk.

**Standard Deviation:** A measure of the amount of variation or dispersion of a portfolio's returns.

**Upside Capture Ratio:** A statistical measure of an investment's performance vs. a benchmark in up-markets.