

TRUESHARES

Powered by TrueMark Investments

Cut the Cap, Unlock Potential

Why Buffer Strategies Shouldn't Limit Growth

TrueShares Structured Outcome ETFs

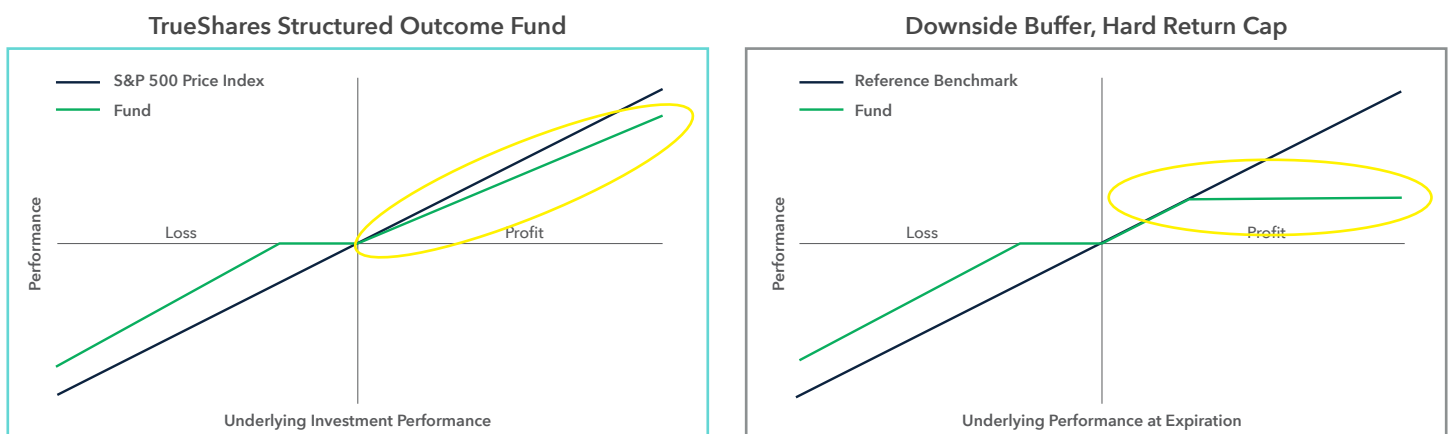
A Solid Core

Like most buffer Exchange Traded Funds, TrueShares Structured Outcome ETFs use an options strategy. They track the S&P 500 index and seek to offset declines of up to 10% over 12 months. At the end of that period, the portfolio resets.

What makes TrueShares ETFs unique from the vast majority of other buffer strategies is that they're *uncapped* (a structure TrueShares pioneered in 2020). That means there is no hard limit on potential gains. So if the stock market rockets higher, the ETFs will aim to deliver the lion's share of those gains.

They can be used like set-it-and-forget-it funds or be traded tactically. However, the full benefit of the potential 10% downside protection and the roughly 80%-85% historical average upside capture requires a commitment to the strategy's year-long investment period.

What does that look like in real life?



*While options strategies can be complicated, with many moving parts,
TrueShares Structured Outcome ETFs can be elegantly simple.
Less is more, because overall structural costs of a strategy and transaction costs can add up.*

**The chart above assumes a 10% buffer. The TrueShare Structured Outcome ETFs seek to buffer the first 8-12% of S&P 500 Price Index losses over a 12-month period. For illustrative and discussion purposes only. The chart on the left illustrates the hypothetical returns that the TrueShares Structured Outcome ETFs seek to provide in certain illustrative scenarios, versus a hypothetical Fund employing a downside buffer, hard return capped strategy, for a shareholder that purchases Fund shares on the Initial Investment Day and holds such shares for the entire Investment Period. The returns shown in the charts are based on hypothetical performance of the reference benchmark, which for the TrueShares Structured Outcome ETF Funds is the S&P 500 Price Index. These charts do not take into account payment by the Funds of fees and expenses. There is no guarantee that the Funds will be successful in providing these investment outcomes for any Investment Period. Performance shown is hypothetical and based on certain assumptions. These charts do not represent the actual performance of any TrueShares fund but do reflect the expected return pattern of the TrueShares Structured Outcome ETF Funds. A Fund's actual performance for its options strategy will be determined by the options pricing available in the market at the time the Fund enters its option positions.*

In the event an investor purchases Shares after the date on which the options were entered into or sells Shares prior to the expiration of the options, the buffer that the Fund seeks to provide may not be available and there may be limited to no upside potential. The Fund does not provide principal protection and an investor may experience significant losses on its investment, including the loss of its entire investment.

Upside participation over an investment period is subject to options pricing. Due to the cost of the options used by the fund, the correlation of the fund's performance to that of the S&P 500 Price Index will be less than if the fund invested directly in the S&P 500 Price Index without using options, and could be substantially less. While upside participation is uncapped (no absolute upper limit), an investor in the TrueShares Structured Outcome ETFs should expect to experience a rate of market return less than 100% of actual broad market results. Each Fund's current expected participation rate can be found at <https://true-sharesetfs.com/products>.

The ETF is not designed to protect against declines of more than 8-12% in the level of the S&P 500 Price Index, and there can be no guarantee that the Fund will be successful in implementing the buffer options strategy to avoid the first 8-12% decline. Due to the cost of the options used by the Fund, the correlation of the ETF's performance to that of the S&P 500 Price Index is expected to be less than if the ETF invested directly in the S&P 500 Price Index without using options, and could be substantially less. There is no guarantee that the ETF will be successful in providing these investment outcomes for any investment periods.

Zen Out from JANZ to DECZ

TrueShares Structured Outcome ETFs are available in a series of 12, one for every month of the year, because no one can predict when and to what degree markets will fluctuate. That also means there are many more windows of opportunity to enter the yearlong investment period of the buffer ETFs.

Whatever happens, from JANZ to DECZ the TrueShares Structured Outcome ETFs seek to deliver peace of mind. That “Z” in ticker means investors can Zen out.

Volatility management and **outcome predictability** are at the core of the TrueShares buffer strategy.



A Beefier Buffer Strategy

There's no such thing as a free lunch, but if there is a meal to be had, caps should come off at the table. TrueShares Structured Outcome ETFs don't have caps, but in exchange for potential 10% downside protection, there is an upside capture historically targeting around 80%-85% of equity upside.

The TrueShares buffer ETFs may be a useful shock absorber for the first 10% (or 8-12%) of losses in the S&P 500, and potentially a power tool when the index is zooming up, which is often seen after a market correction.

10 Largest One-Day Increases in VIX¹

January 2, 1990 – December 31, 2024

Rank	Date	Change in VIX from Prior Day	1-Day S&P 500 Return	Subsequent 1-Year S&P 500 Return	
1	03/16/2020	24.86	-12.0%	3/16/2021	68.94%*
2	03/12/2020	21.57	-9.5%	3/12/2021	61.76%*
3	02/05/2018	20.01	-4.1%	2/5/2019	5.4%
4	10/22/2008	16.54	-6.1%	10/22/2009	25.1%
5	08/08/2011	16.00	-6.6%	8/8/2012	28.0%
6	01/27/2021	14.19	-2.6%	1/27/2022	17.65%
7	10/15/2008	14.12	-9.0%	10/15/2009	24.0%
8	12/01/2008	13.23	-8.9%	12/1/2009	39.3%
9	06/11/2020	13.22	-5.9%	6/11/2021	41.21%
10	08/24/2015	12.71	-3.9%	8/24/2016	18.1%

Plus, the S&P 500 historically tends to go up more often than it goes down. A study of rolling one-year returns from January 1, 1993, through December 31, 2024, shows periods of positive returns occurring 77% of the time. Meanwhile, S&P 500 declines of 9% or more are rarer, occurring 15% of the time.

TrueShares Structured Outcome ETFs seek to address this. They seek to offer just enough downside protection, or up to 10%, and aim to keep pace when the S&P 500 is rising. When stock markets roil, investors may retreat and force them into a defensive crouch at exactly the wrong time. The TrueShares approach to buffer ETFs allows investors to stay in it and reach for growth, too.

1- The CBOE Volatility Index (VIX), also known as the Fear Index, measures expected market volatility using a portfolio of options on the S&P 500. The Fund's portfolio may differ significantly from the securities held in the index. You cannot invest directly in an index; therefore, its performance does not reflect the expenses associated with the active management of an actual portfolio. Source: Bloomberg, as of 12/31/2024. Index performance shown is for the VIX and S&P 500 Total Return Index and does not represent TrueShares fund performance. It is not possible to invest directly in an index. Performance data quoted above represents past performance and does not guarantee future results.

If steep declines are rare and recoveries speedy, the belt-and-suspenders conservatism featured in many buffer ETFs can end up being wasteful on the downside and costly on the upside. That’s how fear of loss segues into fear of missing out.

The TrueShares Structured Outcome ETFs’ target 10% buffer / ~80%-85% upside capture rate strike the right balance in downside protection and upside participation. It’s a buffer ETF with beefier potential returns.

Say hello to core growth.

S&P 500 Index Rolling 1-Year Returns (30 Years)

January 1, 1993 – December 31, 2024

Return Ranges	Average Return	% of Occurrences
Under -9%	-20.25%	15%
-9% to 0%	-3.41%	8%
Positive Returns	17.99%	77%
0% to 17%	9.80%	43%
Over 17%	26.18%	34%

Definition for “Right Tail” Participation: An event can trigger the tail risk at either side of the normal distribution or bell, i.e., the tails. The left side of the normal distribution points to the lowest possible returns on investment, while the right side indicates the highest returns “Right Tail” Participation is being invested during the “Right Tail” events. For illustrative and discussion purposes only. Source: Bloomberg, as of 12/31/2023. Rolling returns shown in the stacked colored chart on the right represent 1-year returns measured on a monthly basis for the previous 1-year period, with the first return measured 01/31/1989. The boxes in each stack in the chart represent the total number of occurrences for a given return percentage over the full date range noted. The table on the left groups each 1-year return into the Return Ranges shown, and then provides an average return and a percentage of total number of occurrences for each Return Range. Index performance shown is for the S&P 500 Total Return Index and does not represent TrueShares fund performance. It is not possible to invest directly in an index. Values in the chart are rounded to the nearest whole percent. Performance data quoted represents past performance and does not guarantee future results.



Retirement R&R

Protecting against losses is critical to long-term performance. Downside protection matters even more for retirees, because they don’t have as long a time horizon as new market entrants do to recover losses.

Consider Harry and Sally

Harry and Sally both start retirement with a cool million apiece, but because Sally’s portfolio suffered less volatility, it had a higher ending value 30 years later, while Harry’s portfolio sank to zero.



The hypothetical example does not represent the returns of any particular investment.

That’s why TrueShares Structured Outcome ETFs aim to absorb losses. Lost ground is hard to recover, and blunting market volatility may produce better outcomes for investors.

They also come with a nice behavioral nudge, potentially enabling investors to stick it through the market’s ups and downs.

Illustration Assumptions		
	Harry	Sally
Annual rate of return	9.97%	9.97%
Annual std deviation	16.32%	11.82%
Initial annual withdrawal	\$50,000	\$50,000
Annual cost-of-living adjustment	5%	5%
Total income	\$3,317,632	\$3,321,942
Starting account value	\$1,000,000	\$1,000,000
Ending account value	\$0	\$1,322,592

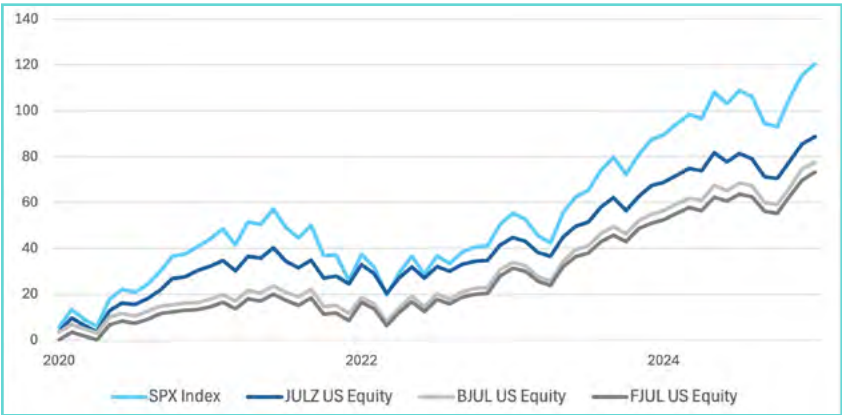
Bullish, with a Safety Net

One feature of the vast majority of buffer strategies is a hard cap on the upside, potentially limiting potential returns.

That’s the give-and-take of the strategy — the more protection investors seek, the more money they stand to leave on the table. A 100% buffer to the downside, for example, may significantly cap the upside.

TrueShares’ Take: If the vehicle never reaches velocity, what’s the point of wearing a helmet?

TrueShares Structured Outcome ETFs offer a differentiated approach to the buffer strategy. While the mechanics are similar to others on the capital preservation side, it is geared to be more aggressive in tracking the S&P 500. Think bullish, with a potential safety net.



The first ticker in the Structured Outcome series (JULZ) launched in July 2020. The first year of the product demonstrates the value of an uncapped strategy. So when the S&P 500 jumped nearly 41% from July 2020 through the end of June 2021, the TrueShares uncapped buffer ETF (JULZ) kept pace, climbing over 30%. Other capped products returned a fraction of that.



“It’s about making sure that the tradeoff between the hedge and the upside drag is digestible. In the end, you own this because you need the growth potential of equities. Why cap that potential?”

Mike Loukas, founder and CEO of TrueShares

Ride Out the Volatility Storm

Investment products that use derivatives to target specific returns aren’t new, but can often be opaque, complex, and come with high cost and minimum buy-ins. When buffer strategies were placed in an ETF wrapper, making them more transparent and accessible, they started to draw a crowd.

Now there are more than 300 buffer ETFs that offer a range of possible outcomes across asset classes. Almost all of them come with a hard cap. **TrueShares took a different tack and was the first to introduce an uncapped buffer strategy in 2020.**

TrueShares Structured Outcome ETFs don’t place a cap on upside potential, because potential downside protection shouldn’t come at the cost of growth.

Source: ETF Action

In Conclusion

Buffer ETFs are built to help protect invested capital from market downturns, aiming to absorb losses up to a predetermined level. These structured outcome strategies can be valuable risk mitigation tools for folks nearing retirement or already in it. The years at the start of retirement are a critical time, during which a market dip combined with the first withdrawals can substantially deplete nest eggs.

The problem is that most buffer strategies come with caps, setting a ceiling on potential upside. That’s a tradeoff some investors are willing to accept, but there are better-designed mousetraps. TrueShares Structured Outcome ETFs don’t come with hard limits on gains, providing investors with both potential downside protection and seek upside capture of about 80%-85%. The no-cap buffer strategy can come in handy when drawdowns quickly turn into relief rallies.

While investors aren’t required to hold the ETFs for a full year, the full benefits of the buffer and upside capture can be realized by holding through the outcome period. Luckily, there are a series of 12 TrueShares Structured Outcome ETFs — one for every month — giving investors ample windows of time to buy in. TrueShares’ Structured Outcome products have a dual mandate to seek protection as well as growth, in order to give investors increased peace of mind. Think of our no-cap buffer ETFs as armor that won’t weigh you down.

Please consult with your investment professional to understand how SO funds align with your investment goals.

Standard Deviation: A statistical measurement that establishes the average spread of individual values from the mean for a group.

Derivatives: A kind of financial contract between two or more parties, the value of which fluctuates based on the price of one or more underlying assets.

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting www.true-shares.com. Please read the prospectus carefully before you invest.

The Fund has characteristics unlike many other traditional investment products and may not be suitable for all investors. You should only consider an investment in the Fund if you fully understand the inherent risks, which can be found in the prospectus.

RISK CONSIDERATIONS

An investment in an ETF is subject to risks and you can lose money on your investment in an ETF. There can be no assurance that the ETF will achieve its investment objective. The Fund is recently organized with no operating history for prospective investors to base their investment decision which may increase risks. The Fund employs a buffered strategy in an attempt to buffer against losses in the S&P 500 Price Index over the course of a 1-year period. There is no guarantee the Fund will be successful in this strategy, and investors may experience losses beyond targeted levels.

The Fund invests in options, which involves leverage, meaning that a small investment in options could have a substantial impact on the performance of the Fund. The Fund may invest in FLEX Options issued and guaranteed for settlement by the OCC. The Fund bears the risk that the OCC will be unable or unwilling to perform its obligations under the FLEX Options contracts. Additionally, FLEX Options may be illiquid, and in such cases, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. As the options the Fund invests in derive their performance from the S&P 500 Price Index, the Fund is subject to the equity market risk associated with the index. Additional risks of investing include management, non-diversification, portfolio turnover and tax risks. Detailed information regarding the specific risks of the funds can be found in their prospectuses.

The ETF's portfolio is more volatile than broad market averages. Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. ETF shares may only be redeemed directly with the ETF at NAV by Authorized Participants, in very large creation units. There can be no guarantee that an active trading market for ETF shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling ETF shares on an exchange may require the payment of brokerage commissions and frequent trading may incur brokerage costs that detract significantly from investment returns.

The Fund is designed to seek to achieve its strategy for investments made on the Initial Investment Day and held until the last day of the Investment Period. Investors purchasing shares in the fund after its 12-month investment period has begun or selling shares prior to the end of the investment period, may experience very different results than the fund's stated investment objective. These periods begin at either the fund's inception date or at each subsequent "Initial Investment Day". Following the initial investment period after fund inception, each subsequent investment period will begin each year on the first day of the month the fund was inception (subsequent "Initial Investment Days"). Fund management will target a 10% downside buffer, with expectations that it will generally fall between 8-12%. The Fund is not designed to protect against declines of more than 8-12% in the level of the S&P 500 Price Index, and there can be no guarantee that the Fund will be successful in implementing the buffer protect options strategy to avoid the first 8-12% decline.

Estimated Upside Market Participation Rate - The estimated upside market participation rate represents the relative exposure of the fund's call options to participate (gross of fees) in the potential upside movement of the S&P 500 Price Index. This will be determined by the relative price of call and put options at the start of the investment period (12-month period). The Participation Rate does not represent a rate of return.

Downside Buffer – The % of downside return of the S&P 500 Price Index from the reference price that is designed to be buffered (gross of fees).

Index Description: The S&P 500® Index is a widely recognized capitalization-weighted index that measures the performance of the large-capitalization sector of the U.S. stock market. The S&P 500 Price Index does not include reinvestment of dividends. Securities in the ETF's portfolio will not match those in any index. The ETF is benchmark agnostic and corresponding portfolios may have significant non-correlation to any index. Index returns are generally provided as an overall market indicator. You cannot invest directly in an index. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index's returns. Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction.

The funds are distributed by Paralel Distributors LLC, Member FINRA. Paralel is not affiliated with TrueMark Investments, LLC.

TRUE304

NOT FDIC INSURED – NO BANK GUARANTEE – MAY LOSE VALUE

