

## The Quadratic Interest Rate Volatility and Inflation Hedge ETF (NYSE ticker: IVOL)

IVOL is a fixed income ETF that seeks to hedge relative interest rate movements, whether these movements arise from falling short-term interest rates or rising long-term interest rates, and to benefit from market stress when fixed income volatility increases, while providing the potential for enhanced, inflation-protected income.

### IVOL Strategy Overview

- Seeks to profit from relative interest rate movements through lower short-term or rising long-term interest rates
- Provides potential for portfolio diversification while also delivering inflation-protected income
- Potential to profit from market stress as volatility increases

### Potential Portfolio Diversifier

- IVOL has had very low correlations with common asset classes.
- The correlation data tells us that, since inception, IVOL has been able to diversify a portfolio of stock and bonds.

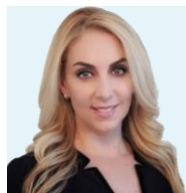
### Low Correlation to Common Asset Classes

IVOL NAV Correlation To:	DOW	S&P 500	The Agg*	MSCI EM	HY Credit	Gold	VIX
Daily Correlation	0.03	0.03	0.39	0.02	0.08	0.21	0.03

Daily correlation from 5/14/19 to 12/31/23. Source: Bloomberg and Quadratic calculations. Index returns are for illustrative purposes only and do not represent actual Fund performance. Past performance does not guarantee future results. \* Bloomberg US Aggregate Bond Index

### About Quadratic

Quadratic Capital Management is an asset management firm founded in 2013 by Nancy Davis. The firm has utilized its significant expertise in the volatility and bond markets to construct IVOL in a way that helps mitigate the downside risk of the strategy while maintaining upside potential with the use of long options. The firm is based in Greenwich, CT.






Nancy Davis founded Quadratic Capital in 2013. She is the portfolio manager for The Quadratic Interest Rate Volatility and Inflation Hedge ETF (Ticker: IVOL). Nancy began her career at Goldman Sachs where she spend nearly ten years, the last seven with the proprietary trading group where she became the Head of Credit, Derivatives and OTC Trading.

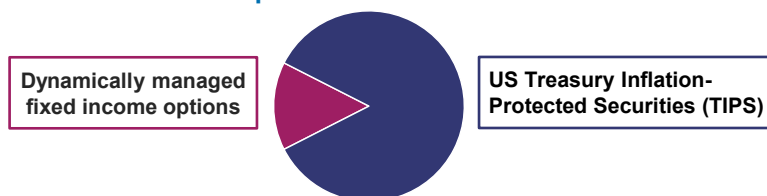
Nancy has been the recipient of numerous industry recognitions. *Barron's* named her to their inaugural list of the "100 Most Influential Women in U.S. Finance." *Institutional Investor* called her a "Rising Star of Hedge Funds." *The Hedge Fund Journal* tapped her as one of "Tomorrow's Titans."

Nancy writes and speaks frequently about markets and investing. She has been profiled by *Forbes*, and interviewed by *Barron's*, *The Economist*, *The Wall Street Journal*, and *The Financial Times* among others. Nancy is a frequent guest on television including CNBC, Bloomberg, CNN, and CBS.

### IVOL Portfolio Applications

	<b>Fixed Income Portfolios:</b> IVOL is designed to provide a potential hedge against inflation and fixed income volatility
	<b>Equity Portfolios:</b> IVOL may act as a market hedge since market volatility has historically increased during large equity sell-offs
	<b>Real Estate Portfolios:</b> IVOL may help hedge the risk of falling real estate prices brought on by rising long term interest rates
	<b>Monthly Distributions:</b> IVOL has paid out at least 30bps every month for over 4 years in a row

### IVOL Portfolio Composition



### Potential Scenario Analysis

Factors that Impact IVOL	Increasing	Decreasing
TIPS Bond Price	✓	✗
Interest Rate Volatility	✓	✗
Expectations for More Fed Cuts or Lower Short Dated Interest Rates	✓	✗
Long Dated Interest Rates	✓	✗

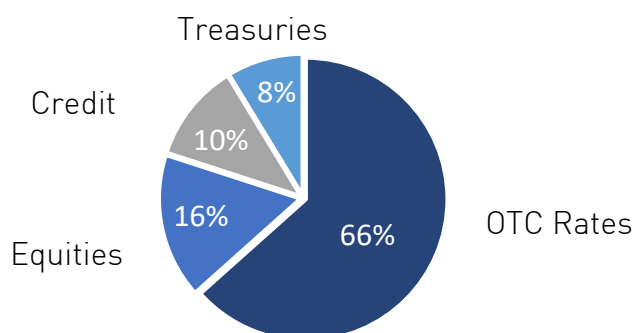
✓/✗ indicates the potential effect these scenarios may have on IVOL. With ✓ indicating a potential positive effect and ✗ indicating a potential negative effect

**The Dow Jones Industrial Average** ("Dow") is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ. **The S&P 500**, ("S&P"), is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the US. **Bloomberg US Aggregate Bond Index (The Agg)**, is a broad based, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. **The MSCI Emerging Markets (MSCI EM)** Index captures large and mid cap representation across 26 Emerging Markets (EM) countries. **The iBoxx iShares High Yield Corporate Bond Index (HY)** is designed to reflect the performance of USD denominated high yield corporate debt. **Dow Jones Commodity Index Gold** is designed to track the gold market through futures contracts. **VIX** is a CBOE index that represents equity volatility of 30-day expectations of the S&P 500 equity index. There are risks involved with investing in options including total loss of principal. Options investing is not suitable for all investors. For a more comprehensive discussion of the risks involved in options investing, please review Characterizations and Risks of Standardized Options available at [www.theocc.com/about/publications/character-risks.jsp](http://www.theocc.com/about/publications/character-risks.jsp) or contact the Options Clearing Corporation directly at 1 N. Wacker Dr., Suite 500, Chicago, IL 60606. [1-888-678-4667].

## IVOL Provides Access to the Largest Asset Class: Rates

- IVOL provides access to the largest asset class.
- Most investors limit their exposure to stocks and bonds.
- The rates market is nearly 5 times larger than the US stock market.

## US Market Size (\$ Trillions USD):



Source: Nasdaq, SIFMA and BIS. "US OTC Rates" defined as the notional value outstanding in interest rate contracts denominated in USD as of H1 2023.

## IVOL Special Tax Treatment

- IVOL is treated as a separate entity for federal tax purposes.
- The Fund expects that most of its income will be ordinary income because the assets underlying the rate-linked derivative instruments in which it invests are not capital assets.

Fund Details	
Primary Exchange	NYSE
ISIN	US5007677363
CUSIP	500767736
Inception Date	5/13/19
Total Annual Operating Expenses	1.03%
30-day SEC Yield	1.60%
Monthly Distributions*	30bps

\* Distributions may include a return of capital as the Fund expects that its losses with respect to its investment in rate-linked derivative instruments will be ordinary losses, which can only be used to offset ordinary income earned by the Fund in the same taxable year in which the losses occur, subject to an exception for late-year losses.

Past performance is no guarantee of future results

## IVOL Performance History as of 12/31/2023

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception	1yr	3yr	Since Inception
Fund NAV	1.24%	2.06%	-2.40%	-5.39%	-6.22%	-0.52%
Closing Price	1.49%	2.31%	-2.36%	-5.17%	-6.21%	-0.51%
Index*	4.71%	1.99%	12.57%	3.90%	-1.00%	2.58%

\*Index is the Bloomberg US Treasury Inflation-Linked Bond Index (Series L). Please note that although this index is provided for comparative purposes, the fund's strategy is benchmark agnostic.

**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. For performance data current to the most recent month end, please visit [www.ivolETF.com](http://www.ivolETF.com).**

ETF shares are not redeemable with the issuing fund other than in large transactions with institutional investors. Shares of any ETF are generally bought and sold at market price (not NAV). Market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates current NAV per share. NAVs are calculated using prices as of 4:00 PM Eastern Time. The returns shown do not represent the returns you would receive if you bought and sold shares at other times. Any brokerage commissions will reduce returns. There is no guarantee the Fund will declare distributions in the future or that, if declared, such distributions will remain at current levels or increase over time.

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated investment objectives. The Fund does not seek to mitigate credit risk, non-curve interest rate risk, or other factors influencing the price of U.S. government bonds, which factors may have a greater impact on the bonds' returns than the U.S. interest rate curve or inflation. There is no guarantee that the Fund's investments will eliminate or mitigate curve risk, or inflation risk on long positions in U.S. government bonds. In addition, when the forward U.S. interest rate curve flattens, the Fund's investments will generally underperform a portfolio comprised solely of the U.S. government bonds. In a flattening curve environment (a reduction in the spread between shorter and longer term interest rates), the Fund's strategy could result in disproportionately larger losses in the Fund's options as compared to gains or losses in the U.S. government bond positions. The Fund's exposure to options subjects the Fund to greater volatility than investments in traditional securities and may magnify the Funds' gains or losses. The Fund is non-diversified and therefore has concentration risk.

OTC options generally have more flexible terms negotiated between the buyer and the seller. As a result, such instruments generally are subject to greater counterparty risk. OTC instruments also may be subject to greater liquidity risk. There are risks involved with investing in options including the potential loss of the amount, or premium, paid for the option.

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The Fund's summary and full prospectus contain this and other important information about the Fund and may be obtained by calling 1-833-IVOL-ETF (1-833-486-5383) or visiting [www.IVOLETF.com](http://www.IVOLETF.com). Please read the prospectus carefully [here](#) before investing.**

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