APTUS CAPITAL ADVISORS

Asset Allocation

Investment Philosophy

Who is Aptus?

What is the Best Way of Defining Aptus Capital? **Higher CAGRs Through Proper Asset Allocation**

Firm Overview

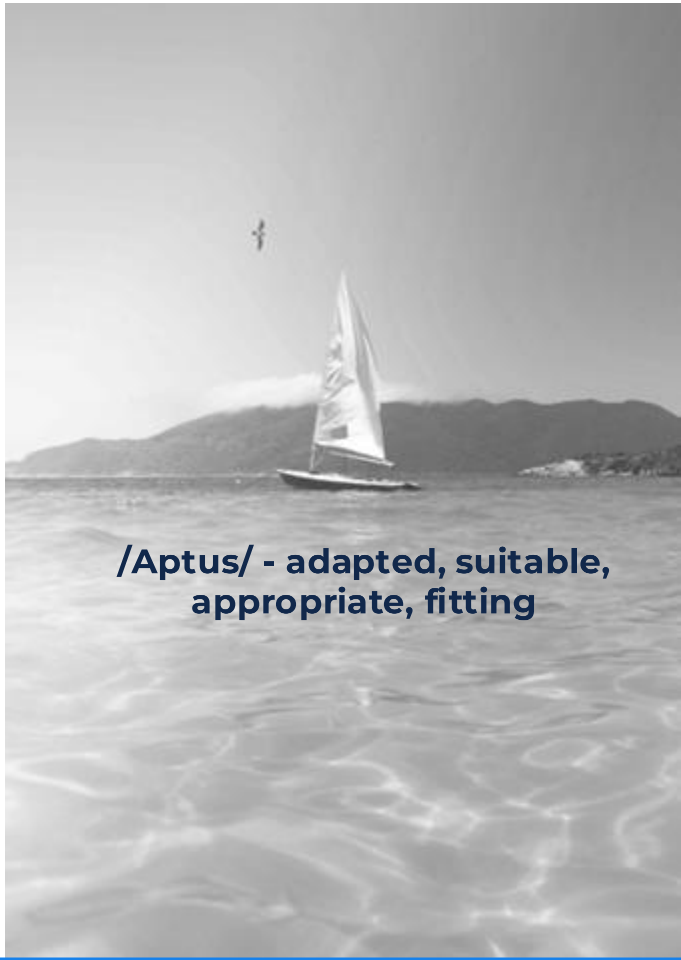
- Founded in Fairhope, Alabama in 2013
- Shared CIO Services, Active ETFs, Model Portfolios
- Help advisors grow client wealth more comfortably, going beyond just stocks and bonds

Participate and Protect

Aptus builds on traditional diversification to improve outcomes. We embrace stocks with guardrails, using volatility as an asset class to manage drawdown and enhance portfolio yields.

We look to balance risk and return with three main goals:

- To allocate to areas of higher return (stocks)
- To reduce drawdown and the emotions that come with it
- To turn market drawdowns into opportunity



Partnerships Built for Peace of Mind

A Team-Based Approach Provides Unique Perspectives

Aptus Capital Advisors HQ Fairhope, Alabama

Your Investment Team

JD Gardner, CFA & CMT	Fairhope, AL	Mark Callahan	Dallas, TX
Beckham Wyrick, CFA & CFP	Fairhope, AL	Tenzin Phuntsok	Naples, FL
John Luke Tyner, CFA	Fairhope, AL	Jake Marriott	Naples, FL
David Wagner, CFA	Cincinnati, OH	Derek Hernquist	Charlotte, NC
Brad Rapking, CFA	Fairhope, AL	James Yahoudy, CFP	Dallas, TX
Joseph Sykora, CFA	Fairhope, AL	Matt McGowan, CAIA	St. Petersburg, FL
Brett Bennett, CFA	Denver, CO	Mike Sefscik	Pittsburgh, PA
Brian Jacobs, CFA	Oakland, CA	Todd Johnson	Sacramento, CA
John Archbold, CFA	Philadelphia, PA	Alexa Romero	Norfolk, VA
		John Guagliardo	Chicago, IL

Our Partners

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Challenges Facing Asset Allocations

Biggest Risks Facing Investors Today

Risk Management Starts with Understanding *You*, and What Type of Risk You Need and Want to Embrace.

We talk constantly about the main risks we help advisors defend against:

Drawdown: *The Known Risk*

What is Drawdown Risk?

Drawdown Risk is much more noticeable than Longevity Risk. It is when the market has a sharp drop that interrupts compounding.

Why Does it Worry Us?

We are worried for two different reasons:

1. **Emotional Behavior** - Large market drawdowns can incite fear and trigger irrational investor behavior, i.e., selling assets, that deviate someone from their long-term plan. Mitigating drawdown can help alleviate those emotions.
2. **Sequencing of Returns** – Mathematically, if you suffer less of the negative moves, you don't have to capture all of the positive moves.

Longevity: *The Silent Risk*

What is Longevity Risk?

Simply put, insufficient returns put clients at risk of outliving their money

Why Does it Worry Us?

The perspective we provide on longevity risk tends to be negative. What do the negative consequences look like? It looks like running out of money, or having to decrease the desired spending amount, or having to work longer.

There are only so many levers to pull when it comes to a successful financial plan. If compounded returns are insufficient, the investor bears the responsibility in the form of a sacrifice.

Thus, there is necessity to mitigate that risk *now*.

From a risk and investment management perspective, we will forever harp on about the same thing: build convexity into your portfolio. Improving the geometric compounding path of investments through time is not about predicting the future. It is about building resilience in your portfolio to divergences from expected outcomes. It is about how your portfolio performs when you are wrong, not when you are right, that will make all the difference.

Using Math to Help Understand the Risks

Drawdown: *The Known Risk*

If a portfolio draws down 10%, an investor needs a return of 11.1% to get back to even. The math gets more difficult if the impact is worse – a 50% drawdown requires a 100% gain.

If you can mitigate the downside 1) You can narrow the behavior gap of the client potentially making an irrational decision, and 2) You don't need as much firepower to recoup losses.

The Bad Math Of Drawdowns:

Drawdown	% To Recover	Years To Recover*
5%	5.3%	0.67
10%	11.1%	1.37
20%	25.0%	2.90
30%	42.9%	4.63
40%	66.7%	6.64
50%	100.0%	9.01

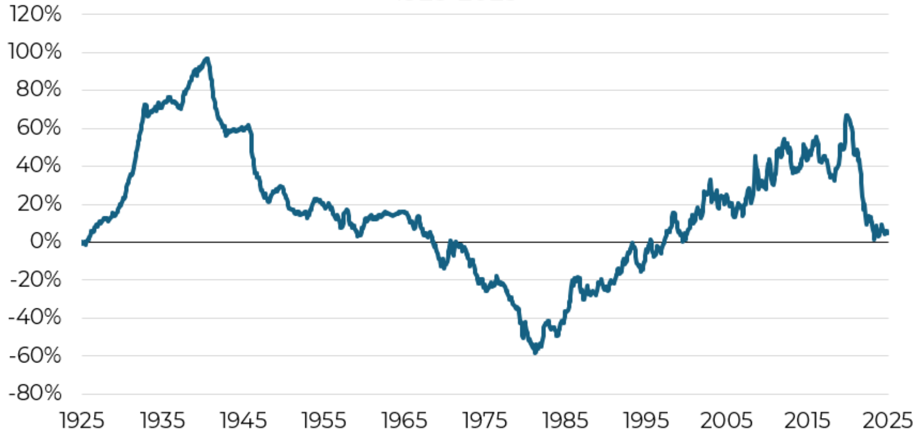
Source: Aptus Capital, * Assumes Recovery = 8% Net CAGR.
Conceptual Illustration: Information presented above is for illustrative purposes only and should not be interpreted as actual performance of any investor's account. As these are not actual results and completely assumed, they should not be relied upon for investment decisions. Actual results of individual investors will differ due to many factors, including individual investments and fees, client restrictions, and the timing of investments and cash flow

Longevity: *The Silent Risk*

Investor tend to think about Fixed Income through the lens of safety. We believe that overemphasizing Fixed Income is simply just a safe way to lose one's purchasing power slowly.

Over longer periods, Fixed Income's returns after accounting for taxes and inflation is zero, which can silently inject longevity risk into a portfolio, as it doesn't help compound returns over longer periods of time.

Cumulative Real After Tax Returns of Treasuries 1925-2025



Source: Aptus Capital Advisors, Data as of 6.30.25

As we educate clients, almost 100% confirm that what everyone wants is higher compounding potential without significant risk, so the appeal of using options to manage risk and still achieve much of the available return is very appealing.

APTUS CAPITAL ADVISORS

Asset Allocation

Portfolios to Withstand All Environments

Where to Focus: Structure vs. Fund Choices

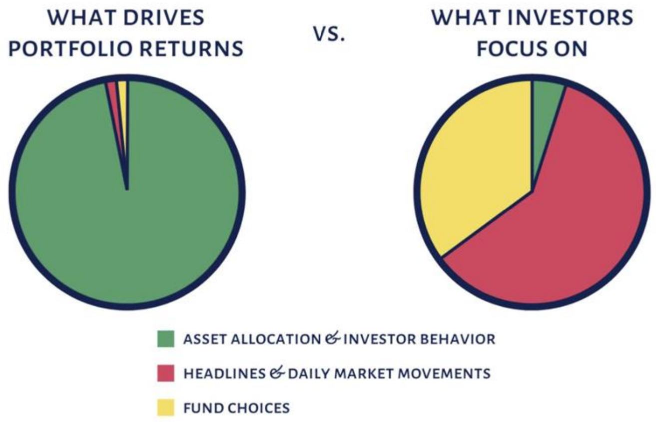
Get the Big Things Right, and the Little Things Won't Matter: **Many Investors Believe That Conviction on Exposures Drives Long Term Results, When in Fact, We Believe It Adds Little Benefit Over Longer Periods of Time.**

Focus on What You Can Control, Prepare for What You Cannot: Understand what's important, understand what you can control, and focus your time and resources accordingly.

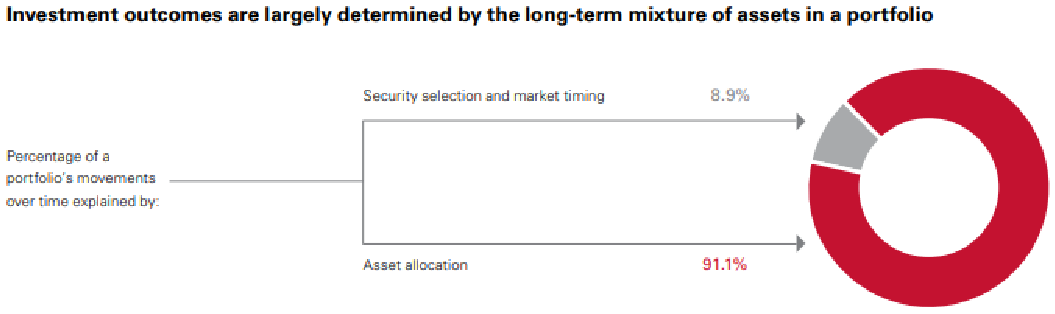
Per Vanguard, the majority of an investor's long-term return comes from proper asset allocation (91% contribution to returns) and not individual exposures (9% contribution to returns).

- ***The Controllable (Asset Allocation Structure)*** – This may be one of the most overlooked aspects of investing, even though an investor controls it. Without proper asset allocation structure, an investor can inadvertently expose clients to unintentional risk. With proper structure, we believe that investors can obtain alpha by mitigating risk.

- ***The Uncontrollable (Fund Performance Outcomes)*** – Tilts towards sectors, durations, and factors are active ways to adjust the portfolio to a certain view over time. However, these tilts typically get more attention than they deserve. Studies have shown that making these "bets" doesn't add much value over longer periods of time and actually injects an unwanted volatility tax.



Source: Money Visuals



Source: Vanguard, Data as of 06/30/2025

What is Our Structure?

We Use the Structure of Our Allocation to Address Longevity Risk and Improve Outcomes.

At Each Risk Level, We Inject More Potential Return with Explicit Focus on Drawdown. Our Disciplined and Repeatable Approach Seeks to Stack the Deck in the Favor of Investors.

More Stocks

Over longer periods of time, we believe that stocks will do a better job compounding capital for investors. Owning more stocks, while remaining risk neutral, is one of the most efficient ways to directly combat longevity risk.

Less Bonds

Though it may feel safe, we believe that by owning bonds, investors are voluntarily throwing away their purchasing power, as fixed income cannot keep up with growing cost-of-living standards.

Risk Neutral

Inherently, stocks tend to move more than bonds. We invest in volatility as an asset class to build a portfolio with long-term growth drivers. We use hedging to avoid increased risk at the allocation level.

We Believe that Balancing a Strong Engine (Stocks) with Strong Brakes (Hedges) is the Ideal Formula to Help Clients Comfortably Reach Their Long-Term Goals.

Portfolios Built to Hold: How Do We Implement?

Our Approach

Studies suggest that the psychological pain investors feel from a loss is twice as strong as the joy they receive from a similar size gain.

Our approach is designed to protect against this investor psychology with disciplined Drawdown Patrol Investing® that seeks to meet long-term total return goals while protecting against drawdown risk.

1) Enhance the Yield & Growth

Return = Yield + Growth +/- Valuation Change

2) Risks Worth Defending Against

Longevity Risk & Drawdown Risk

3) Perform Better In the Tails

Aiming to Protect in Downturns, Without Sacrificing Upside

The Output of the Structure

With All the Focus on Alpha; We are Firm believers that Beta is Underappreciated

From an investment standpoint, investors' allocation decisions matter far more than anything else. If you get the allocation right, you minimize the impact of short-term deviations in your fund selection effects. The highest-level allocation decision is the percentage (%) of stocks to own versus bonds.

It seems obvious that owning more stocks and less bonds is a solid long-term decision. We'd make the argument that if you take a 60/40 portfolio and compare it to a 75/25 portfolio, over the long term, the latter will outperform the former.

The problem in this simplicity is that more stocks and less bonds come with more volatility, and more volatility creates a mess of problems mathematically (volatility tax) and behaviorally (fear and greed).

Aptus exists to help make this shift while keeping these problems at bay by utilizing ***Volatility as an Asset Class***.

		Stocks/Bonds Split		Standard Deviation		Portfolio Yield		Expense Ratio	
Asset Allocation	**Benchmark**	**Aptus**	**Benchmark**	**Aptus**	**Benchmark**	**Aptus**	**Benchmark**	**Aptus**	**Benchmark**
Aptus Preserve	iShares Conservative (AOK)	49/51	30/70	6.66%	7.40%	2.97%	3.32%	0.59%	0.15%
Aptus Conservative	iShares Moderate (AOM)	62/38	40/60	8.04%	8.08%	2.71%	3.09%	0.56%	0.15%
Aptus Moderate	iShares Growth (AOR)	75/25	60/40	10.29%	10.41%	2.18%	2.61%	0.50%	0.15%
Aptus Growth	iShares Aggressive (AOA)	92/8	80/20	12.06%	12.82%	2.03%	2.23%	0.47%	0.15%
Aptus Aggressive	iShares Aggressive (AOA)	100/0	80/20	11.15%	10.87%	1.82%	2.23%	0.38%	0.15%

Source: Bloomberg, Data as of 06/30/2025. The yield percent in the chart above is the indicated yield which is the annualized yield of the most recent dividend distribution. Yield is not indicative of current or future performance or returns. The Standard Deviation figure is since inception. Please note that the inception date for Aptus Conservative, Aptus Moderate and Aptus Growth is 1/1/2017. The inception date for Aptus Preserve and Aptus Aggressive is different – 1/1/2023.

APTUS CAPITAL ADVISORS

Asset Allocation Structure

Enhancing the Yield & Improving the Growth

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Everything is Tied Back to *What Drives Returns*

Over Longer Periods of Time, Total Return Comes From Three Factors:

Yield + Growth +/- Valuation Change

We Want to ***Enhance Your Yield*** AND ***Improve Your Growth***

- "Yield" and "Growth" tend to contribute the most to total return, as "Valuation Change" is more sentiment-driven and tends to mean revert.
- We focus on the first two: 1) Yield, and 2) Growth, because they drive > 93% of long-term total returns.
- The structure of the allocation allows us to ***Enhance Yield*** & ***Improve Growth***:
  - ***Enhance Yield***: We have the ability to efficiently increase yield without taking on style risk.
  - ***Improve Growth***: By owning more stocks at the allocation level, without taking on more risk, we are injecting more growth into the portfolio.

Decade	Yield +	Earnings Growth +/-	Valuation Change =	Annual Returns
1900s	3.9%	4.7%	0.9%	9.5%
1910s	4.2%	2.0%	-2.9%	3.4%
1920s	3.7%	5.6%	4.6%	13.9%
1930s	3.1%	-5.7%	1.6%	-1.0%
1940s	4.2%	9.9%	-6.4%	7.8%
1950s	4.1%	3.9%	10.1%	18.1%
1960s	3.1%	5.5%	-1.2%	7.3%
1970s	3.4%	9.9%	-8.0%	5.3%
1980s	3.4%	4.4%	8.6%	16.4%
1990s	1.7%	7.7%	8.2%	17.6%
2000s	1.5%	0.6%	-2.9%	-0.8%
2010s	1.9%	10.6%	2.5%	15.0%
2020s	2.2%	9.1%	3.2%	14.5%
Avg. Contribution to Return	3.1%	5.2%	1.4%	9.8%
% Contribution to Return	31.8%	53.7%	14.4%	100.0%

Source: Aptus Capital, John Bogle & Robert Shiller, Data as of 12/31/2024

The Structure in Action

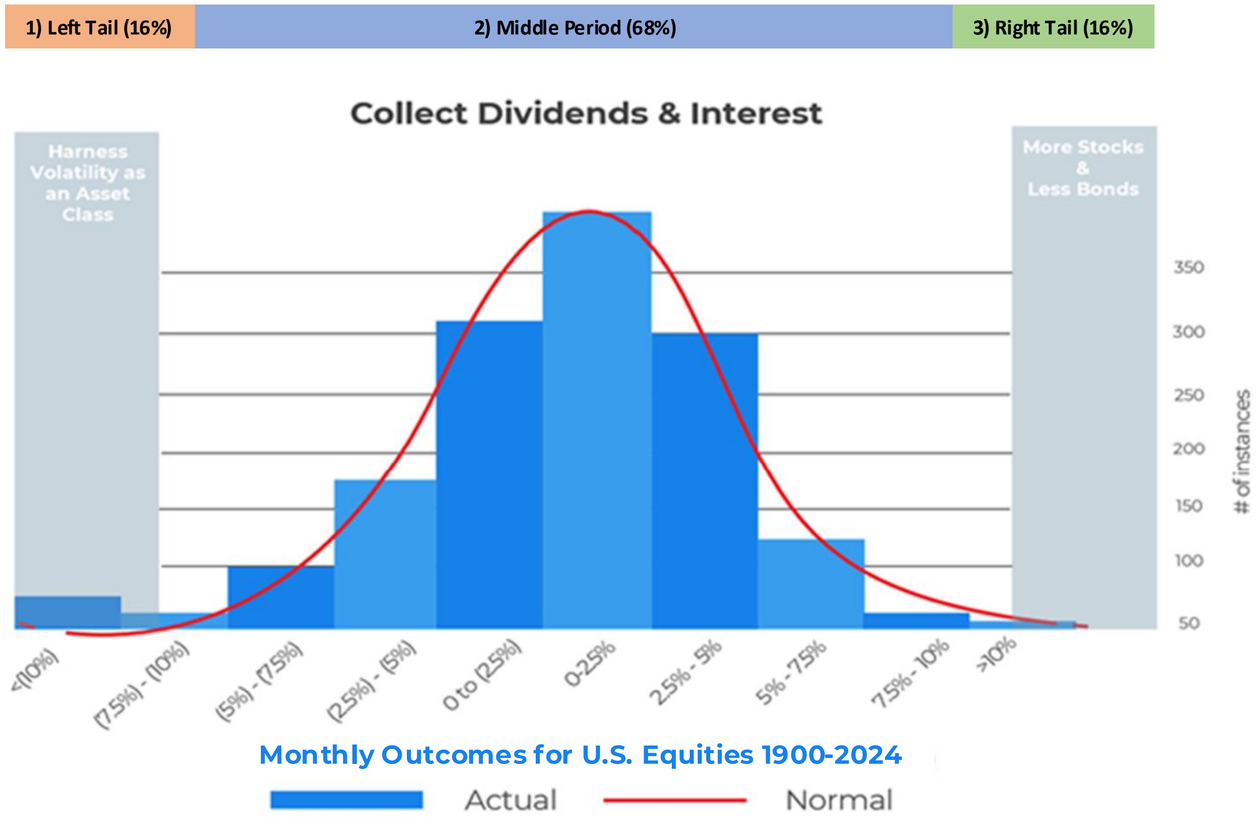
The Main Objective of the Allocation Structure is to Own More Stocks For the Right Tail, + True Risk Management For the Left Tail, While Adding Yield in the Middle of the Bell Curve.

Assume that returns are random and normally distributed - meaning that the majority of return periods occur in the "Middle Period". But, the frequency of returns diminishes quickly when you exit the "Middle Period" and enter into the "Left Tail" and "Right Tail".

1) **The Downside: The Left Tail (16%)** The "Left Tail" is when downside volatility occurs. In a normal distribution (like the chart on the right), occurs 16% of the time. In actuality, it occurs more often than that. However the impact of the downside can have a long-lasting effect on long-term returns. That is why we focus on capital preservation, as we harness volatility as an asset class, as a priority in everything that we do.

2) **The Middle Period (68%)** This is the period of complacency and tends to occur, in frequency, more often than the "tails". During this period, markets are behaving relatively rationally. We attempt to sustainably enhance the yield of the allocation versus the benchmark, which can help compound capital over longer periods.

3) **The Upside: The Right Tail (16%)** The right tail is when the market is going up at a rate that many investors believe is unsustainable. The basis of our structure is to own more stocks, less bonds, and be risk neutral to take advantage of this environment.



Source: Case Shiller, Data as of 06/30/2025

Middle Period: *Enhance the Yield*

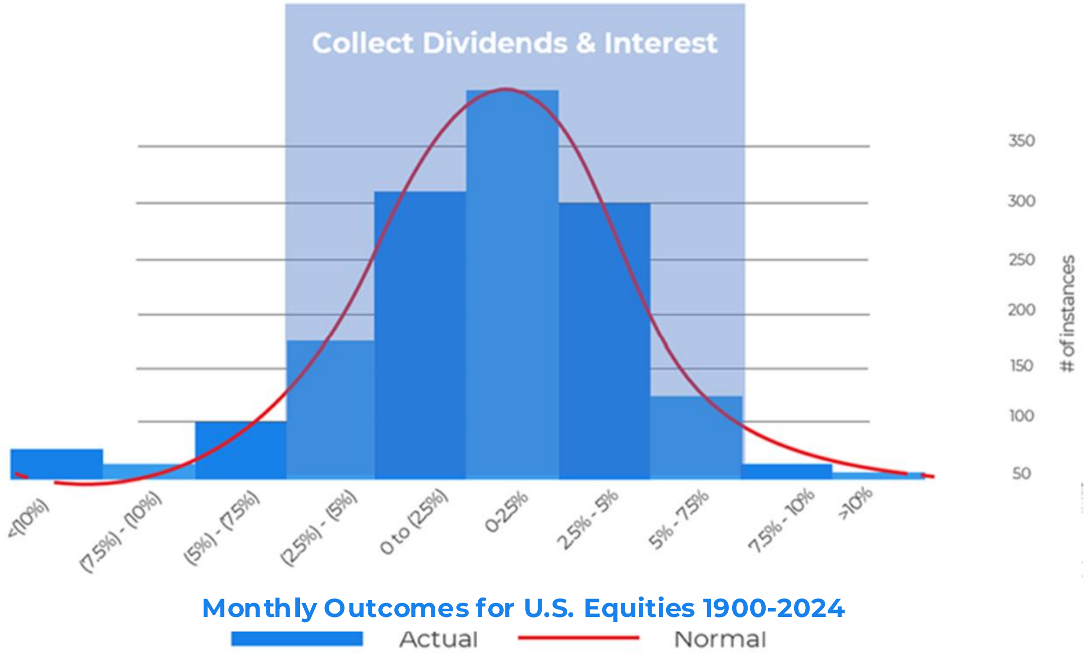
Enhancing Portfolio Yield: Even Though It May Not Feel Like it, Markets Tend to Act Rationally More Often Than Not. During These Periods, We Attempt to Enhance the Yield, Without Taking Stylistic Bets.

Taking the Bird in Hand During periods of normalcy, investors tend not to get overly emotional. Our portfolios look to embrace the opportunity set but sustainably lift the overall yield. Key for us is doing this without taking on style bets (dividend-focused funds tend to have a value tilt).

Dividends are the Great Inflation Fighter We believe that if investors paid more attention to their dividend income stream, rather than stock prices, they'd have a higher probability of making much better decisions.

Simply put, if an investor can sustainably increase the yield in the overall allocation by 1%, the effects of compounding capital over a 20+ year horizon could be life changing.

Driver of Relative Outperformance We believe that having a higher *sustainable* yield will allow the allocation to slowly, methodically, outperform a benchmark.



Monthly Outcomes for U.S. Equities 1900-2024

Source: Case Shiller, Data as of 06/30/2025

Right Tail: *Improving Growth*

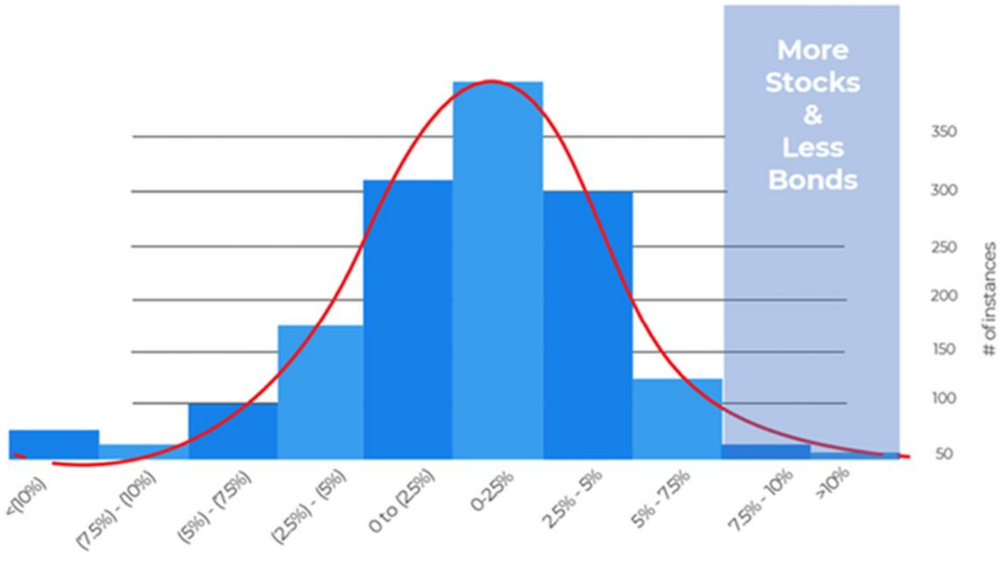
We Attack Longevity Risk Head-On Through Improving Overall Portfolio Growth:
We Think it Makes Sense to Equip Portfolios with a Stronger Engine (Stocks), While Using Better Brakes (Hedges) to Stay Risk-Neutral vs. Traditional Benchmarks.

- Inherently, investors tend to focus on capital preservation during down markets more than up markets. Yet, they expect to participate when markets are performing very well, creating asymmetry in expectations or bad behavior through FOMO investing.

- The “right tail” is when the market is going up at a rate that many investors believe is unsustainable. During this period, our overweight to stocks gives the allocation the ability to perform well.

- The allocation’s exposure to convexity, i.e., harnessing volatility as an asset class, creates an embedded optionality. This optionality gives the allocation the ability to participate in rip-roaring markets, without sacrificing downside protection, through owning more stocks relative to the benchmark.

- *Driver of Relative Outperformance*: By owning more stocks while remaining risk-neutral, one can create relative performance alpha versus the benchmark.



Monthly Outcomes for U.S. Equities 1900-2024

Actual — Normal

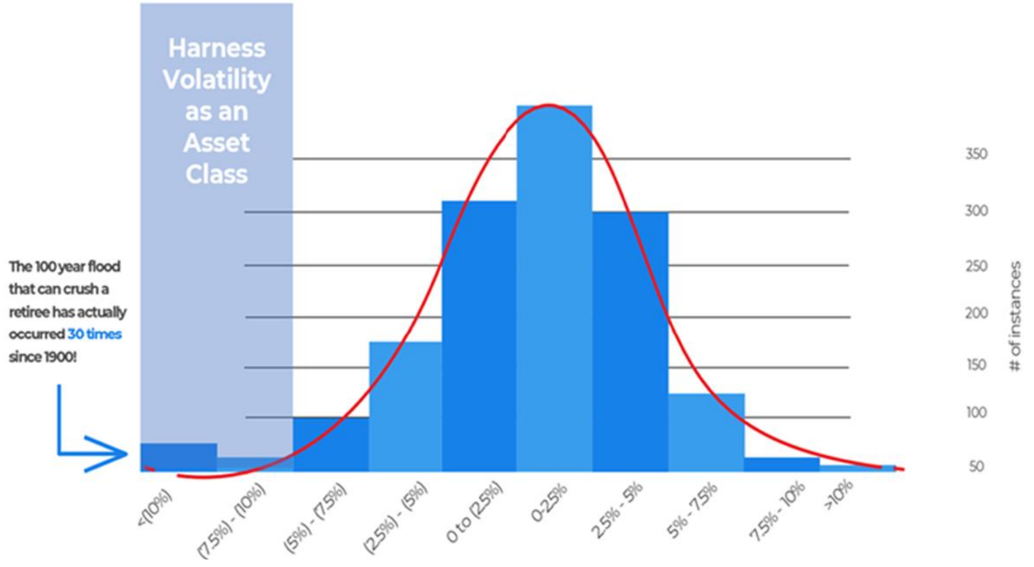
Source: Case Shiller, Data as of 06/30/2025

Left Tail: *Protecting Capital in Downturns*

Doing Better in the Left Tails is How We Directly Attack Drawdown Risk:

We are Firm Believers That There is Upside to Capturing Less Downside. Preserving Capital During Downturns is What Our Allocations are Built For – To Weather the Storms

- Studies suggest that the psychological pain investors feel from a loss is twice as strong as the joy they receive from a similar size gain. That is why one of our key investment goals is preserving capital during market drawdowns.
- Simply put, large losses crush an investor's ability to compound capital. If a portfolio drops 50%, it needs to gain 100% to get back to even. If it can fall less during a drawdown, it requires less upside to get back to even. We believe that there is upside to capturing less downside.
- *How Do We Protect Capital?* We view volatility as an asset class that can help mitigate downside performance. Coincidentally, by owning volatility, it decreases the overall volatility of an allocation.
- Not only does owning volatility as an asset class provide protection, but it also provides the potential for dry powder to be created and deployed when markets fall. Most investors during this situation don't have excess capital to put to work. That should be the silver lining of market downturns - future returns can be higher if you have the cash to deploy.
- *Driver of Relative Outperformance*: Vehicle selection drives outperformance, owning hedged equities that can protect capital during periods of downside volatility.



Monthly Outcomes for U.S. Equities 1900-2024

Actual — Normal

Source: Case Shiller, Data as of 06/30/2025

Bringing it Together: *Doing Better in the Tails*

The Foundational Truth About Compounding Capital: The Magnitude of Returns Matters More Than the Frequency – ***It's the Tails that Worry Us, Not the Mean.***

Why Do the Tails Worry Us?

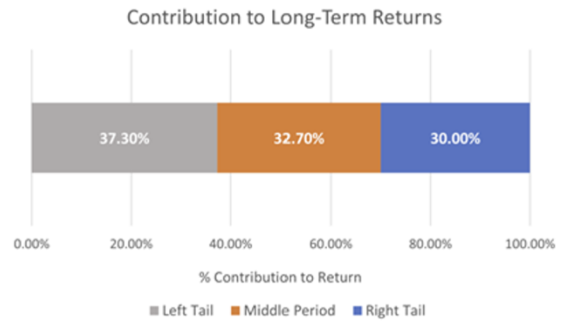
Our job is to help compound capital in a manner that is digestible, and sufficient to meet specific financial plans, both near and long-term. When it comes to that objective – it's the tails that worry us.

Why? Over longer periods of time, the left tail (excessive downside) drives 37.3% of total returns, while the right tail (excessive upside) contributes to 30.0% of a client's return. In aggregate, about 2/3rds of a client's long-term returns are driven by how they perform in these rare "tails". That's why tails, specifically the left tail, need to be the main area of attention for investors.

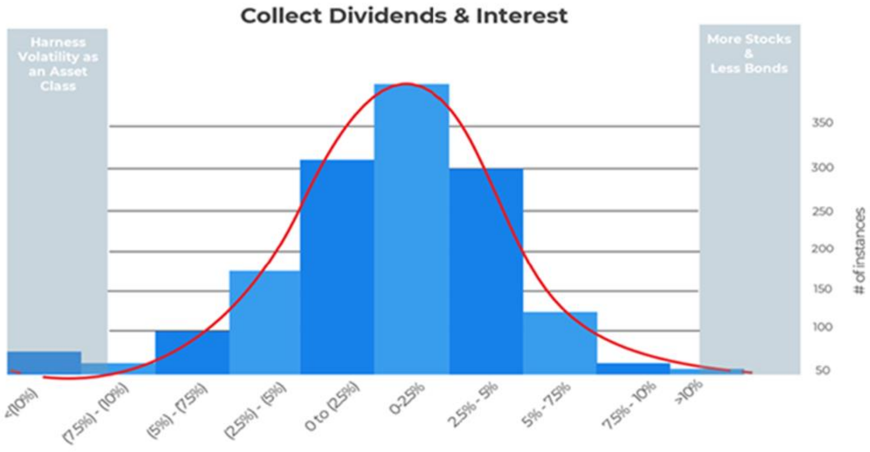
Why Do Tails Contribute So Much to Long-Term Returns:

The *magnitude of* returns matters more than their *frequency*. Said another way, returns during periods of normalcy will not materially deviate the client's return profile. Their long-term financial plan should generally stay on track.

The infrequent returns, which tend to be more impactful, occur in the tails. They can have a greater magnitude effect on a client's long-term plan, especially the impact of drawdowns. Simple math states that to overcome a 50% drawdown, an investor will need to return 100%. If we can reduce the impact of drawdowns, without mitigating upside potential, we think clients can have a less turbulent journey to compounding capital.



Source: Convex Strategies, Data as of 06/30/2025



Monthly Outcomes for U.S. Equities 1900-2024

Actual Normal

Source: Case Shiller, Data as of 06/30/2025

"I Argue That Cost-Effective Risk Mitigation, When Done Well, Doesn't Just Take You Out of Risk, But Actually Allows You to Take on More Risk." –Mark Spitznagel

The Tails Occur More Often

The Assumption That Market Returns are Normally Distributed is Wrong. Markets Skew Positive and Have Fatter Tails. This Means You Have More Frequent Left Tail Events (Large Drawdowns) and Right Tails (Large Upswings) Than Statistical Measures Would Suggest.

Investors Either Own Risk Assets (Stocks) that Inflate, or They Can Own Currency that Gets Debased → There is No Middle Ground

Attacking **Drawdown Risk**

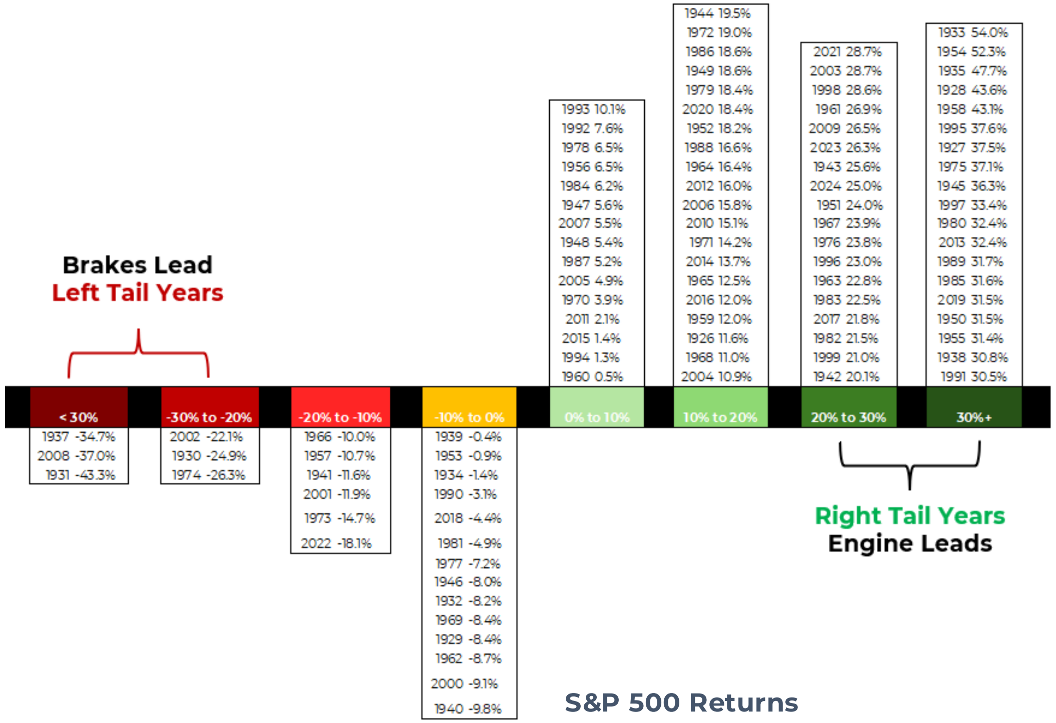
The 100-Year Storm Occurs More Often Than Every 100 Years:

- Though the left tail may occur less often than the right tail, the bad math of drawdowns remains very important.
- There is bad math of drawdowns: If a portfolio draws down 10%, an investor needs a return of 11.1% to get back to even. The math gets more difficult if the impact is worse – a 50% drawdown requires a 100% gain.

Attacking **Longevity Risk**

The Right Tail Occurs More Often Than the Average:

- It pays to be a rational optimist - Pessimism about the long-term does not align in any way with a historic worldview. Investors can choose to believe that right now is the beginning of the end, but that is a bet against all of human history and against human nature itself.
- Historical returns show that outsized returns, greater than 20%, have occurred 6x more frequently (36 instances) compared to outsized negative returns, less than -20% (6 instances). Said differently, 58% of the time, annualized returns > average annual return



Source: Case Shiller, Data as of 06/30/2025

Investors shouldn't spend a lot of time thinking too much about the things everyone else is worrying about. As an old market pro once said, those things are already well worried. Investors need to spend my time exploring and thinking about the things that most aren't.

It Pays to Think Differently

What Really Matters to Clients?

SHARPE RATIO

Academia Misconceptions

Investors would be wise to follow Yoda's advice: 'You must unlearn what you have learned.' Why? Because traditional investment theory often misguides focus to the wrong risk metrics.

Academia often promotes the idea that maximizing returns per unit of risk, like the Sharpe Ratio suggests, should be a primary goal. However, this approach fails to consider that a portfolio can have a high Sharpe Ratio and still fall short of client needs and expectations.

Focusing on the Sharpe Ratio alone won't prevent a client from being disappointed if their portfolio lags in actual returns or fails to meet their investment needs. While comparisons are often necessary, focusing solely on it can be misleading particularly when clients prioritize compounded returns.

RETURNS VS DRAWDOWNS

What Actually Matters

We don't believe that investors need to sacrifice upside for downside protection. The real focus should be on maximizing compounded returns while keeping drawdowns in check.

Investors know that drawdown risk can devastate compounded returns. Yet, many fall into the trap of sacrificing potential returns by prioritizing short-term volatility risk over longevity risk by owning too much fixed income. We believe too many investors have this approach that risks failing to meet long-term goals.

Traditional bond allocations may feel safe, but they present not guarantee to a portfolio when stocks move lower, and they cause too many investors to miss out on significant upside in strong equity years.

We Approach Risk Differently at Aptus

At Aptus, we use hedges to ***manage risk***, not reduce it, allowing us to confidently take on ***more equity market exposure*** while keeping potential drawdowns in check with ***less reliance on fixed income***. The hedges we employ are designed to provide convex payoffs; to protect our portfolios during large market declines to maximize compounded returns.

It's not about taking less risk.
It's about taking the most optimal calculated risks to protect the downside and get the most out of your portfolio.

Proof in the Pudding → Results Matter

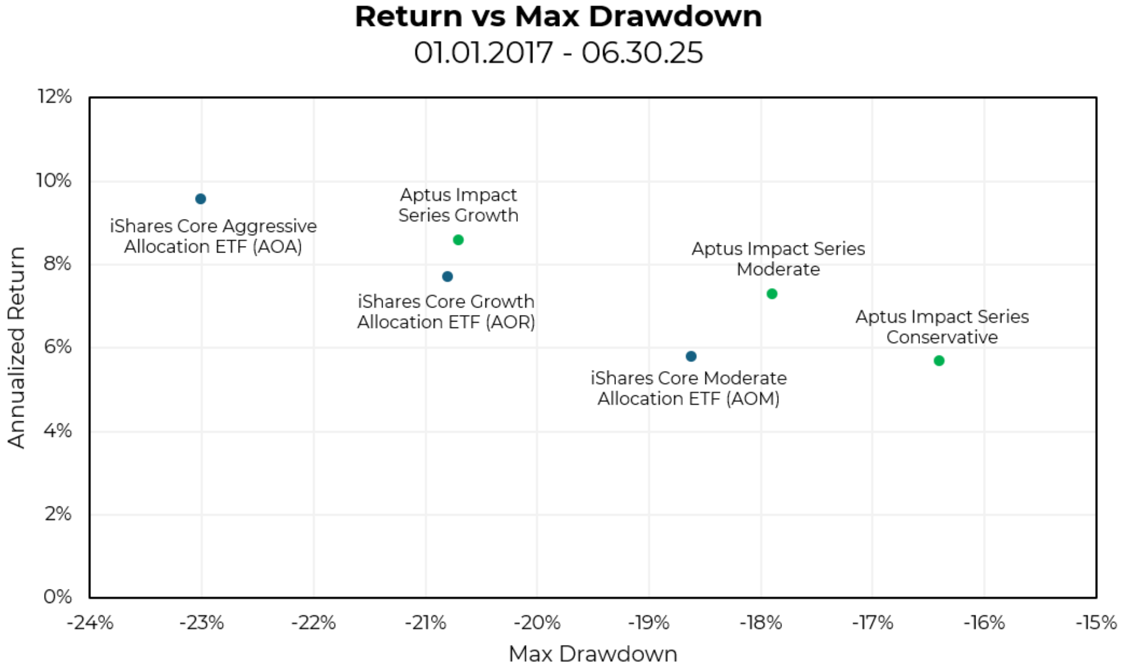
Team > Players: Focus on What Matters, While Tuning Out the Noise

Maximizing the Potential for Upside

Aptus Impact Series Conservative Composite v. Blackrock iShares Core Moderate			
	Aptus Impact Series Conservative	iShares Core Moderate Allocation ETF	Capture
12/31/2016 - 01/26/2018	16.23%	14.45%	112.35%
01/26/2018 - 12/26/2018	-8.80%	-6.86%	128.30%
12/26/2018 - 02/19/2020	17.70%	18.62%	95.04%
02/19/2020 - 03/23/2020	-13.70%	-16.45%	83.28%
03/23/2020 - 11/05/2021	40.81%	38.81%	105.15%
11/05/2021 - 06/17/2022	-15.12%	-15.84%	95.45%
06/17/2022 - 08/12/2022	8.08%	6.88%	117.44%
08/12/2022 - 10/14/2022	-9.93%	-11.02%	90.11%
10/14/2022 - 07/19/2023	11.54%	15.54%	74.26%
07/19/2023 - 10/27/2023	-6.52%	-6.85%	95.18%
10/27/2023 - 09/27/2024	25.98%	22.21%	116.97%
09/27/2024 - 04/08/2025	-7.30%	-5.64%	129.43%
04/08/2025 - 06/30/2025	13.60%	10.81%	125.81%
Since Inception	**47.15%**	**41.80%**	**112.79%**
		Upside Average	**106.72%**
		Downside Average	**103.63%**

Data is derived from end of day Bloomberg data for the period from 12/31/2016 (composite inception) to 06/30/2025. Each segment period represents an inverse market movement of 5% or greater of the iShares Core Moderate ETF (AOM). The diagram represents cumulative total returns during those market segments of 5% market movement of the AOM compared to Aptus Impact Series Conservative Allocation. The capture ratio measures a strategy's performance in up or down markets relative to an index during each period.

… Without Injecting Drawdown



Source: Bloomberg, Aptus, Data as of 6/30/2025

Aptus Strategy Toolkit

More Stocks, Less Bonds, Similar Risk

HEDGE THE TAIL

Aptus Collared Investment Opportunity ETF
ACIO
Hedged equity collar with calendar flexibility, for efficient and consistent risk mitigation

Aptus Drawdown Managed Equity ETF
ADME
Tail hedges for extreme market environments

ENHANCE YIELD

Aptus Enhanced Yield ETF
JUCY
Lower- duration U.S. Treasuries targeting greater yield through options overlays

Aptus Large Cap Enhanced Yield ETF
DUBS
Core U.S. large-cap exposure targeting above-benchmark yield

Aptus International Enhanced Yield ETF
IDUB
Core International exposure targeting above-benchmark yield

IMPROVE GROWTH

Aptus Defined Risk ETF
DRSK
A core bond allocation with growth optionality via call options, and correlation benefits via put options

Aptus Large Cap Upside ETF
UPSD
Minimum-volatility equity core + trend overlay for extra upside potential

BETTER BETA

Aptus Deferred Income ETF
DEFR
Core bond alternative with the potential for improved returns and tax efficiency

Opus Small Cap Value ETF
OSCV
Seeking small cap-like return streams, with historical volatility closer to large caps

APTUS CAPITAL ADVISORS

Importance of Protecting Capital

Sequence of Returns

When Drawdowns Occur, the Loss of Capital Can Hit Clients Square in the Face. In Fact, Studies Suggest That the Psychological Pain Investors Feel From a Loss is Twice as Strong as the Joy They Receive From a Similar Size Gain.

What is the Sequence of Returns Risk?

Investors face plenty of risks when investing for retirement. Markets crash, inflation can eat into your returns, and you might even worry about outliving your savings. But there's one big retirement risk that gets very little attention: Sequence of returns risk.

It's the risk that comes from the order in which your investment returns occur. It's the risk that the market declines in the early years of retirement as you are taking withdrawals. Those retirement distributions paired with negative returns can significantly increase your chance of running out of money, or at least prompting lifestyle changes.

Why is it Important?

Timing is everything. Annual market returns become critically important once an investor retires and starts taking distributions from their investment portfolio. Significant market losses in the early years of retirement can shorten the longevity of a portfolio, even if better-than-average market returns occur in later years. This is the risk posed by the sequence of returns.

The Importance of Mitigated Drawdown Risk:

If a portfolio draws down 10%, an investor needs a return of 11.1% to get back to even. The math gets more difficult if the impact is worse – a 50% drawdown requires a 100% gain.

If you can mitigate the downside 1) You can narrow the behavior gap of the client potentially making an irrational decision, and 2) You don't need as much firepower to recoup losses.

The Bad Math Of Drawdowns:

Drawdown	% To Recover	Years To Recover*
5%	5.3%	0.67
10%	11.1%	1.37
20%	25.0%	2.90
30%	42.9%	4.63
40%	66.7%	6.64
50%	100.0%	9.01

Source: Aptus Capital, * Assumes Recovery = 8% Net CAGR.
Conceptual Illustration: Information presented above is for illustrative purposes only and should not be interpreted as actual performance of any investor's account. As these are not actual results and completely assumed, they should not be relied upon for investment decisions. Actual results of individual investors will differ due to many factors, including individual investments and fees, client restrictions, and the timing of investments and cash flow

"Risk Isn't What You Think is Going to Happen, It's What Hurts if it Does Happen." – David Dredge

Minimizing the Volatility Tax

Investors Eat Compounded Returns, Not Average Returns. By Minimizing the Volatility Tax, Investors Can Enjoy a Smoother Ride to and Through Retirement.

The Importance of Avoiding the Friction of Volatility

Compounded returns determine client outcomes and maximizing them is a singular objective that arguably encompasses all other investment objectives. Our portfolios do their best to avoid the friction of volatility, which is a fancy way of saying to *avoid large losses*. Throughout the duration of an investor's time horizon, at one point, it is likely that an investor will compound at a negative rate of return – it is crucial to keep this rate as low as possible. Losses create friction towards the objective of compounding capital. The larger the loss, the greater the friction.

Conceptually, in the table below, which portfolio would an investor prefer to own?

	Year 1	Year 2	Year 3	Year 4	Year 5	Avg. Return
Portfolio A	22%	-24%	28%	13%	-9%	**6.00%**
Portfolio B	12%	12%	-7%	9%	9%	**7.00%**
Portfolio C	30%	25%	-18%	-18%	22%	**8.20%**
Portfolio D	-31%	27%	-20%	56%	21%	**10.60%**

It's important to remember that investors receive compounded returns, not the average. The volatility tax is the difference between the average return and the compounded return. The table below shows that the portfolio achieving the most wealth is the one that minimizes the volatility tax – not the one with the higher average return.

By reducing the volatility tax, you can reduce the overall turbulence in returns and set clients on a path to better outcomes.

	Year 1	Year 2	Year 3	Year 4	Year 5	Ending Value	Avg. Return	Compounded Return
Portfolio A	$ 122,000	$ 92,720	$ 118,682	$ 134,110	$ 122,040	$ 129,363	6.00%	**4.06%**
Portfolio B	$ 112,000	$ 125,440	$ 116,659	$ 127,159	$ 138,603	$ 148,305	7.00%	**6.75%**
Portfolio C	$ 130,000	$ 162,500	$ 133,250	$ 109,265	$ 133,303	$ 144,234	8.20%	**5.92%**
Portfolio D	$ 69,000	$ 87,630	$ 70,104	$ 109,362	$ 132,328	$ 146,355	10.60%	**5.76%**

Conceptual Illustrations

Thinking Differently

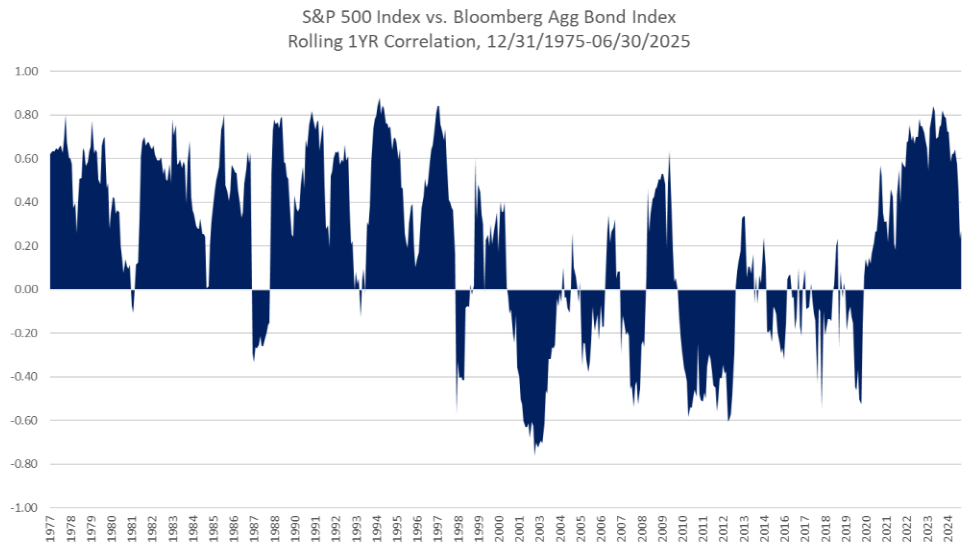
We Understand that Mitigating Drawdown Risk is Imperative. In a Higher Interest Rate Environment, Many Investors Believe that Fixed Income Will Continue to Be a Beacon of Support for Portfolios on the Downside – We Don't Agree. ***We Consider Correlation to Be Everyone's Key Risk in Their Investment Portfolio.***

We Question the Role That Fixed Income Plays in the Portfolio

The core tenet of our investment philosophy is to defend against sharp drops in portfolio values. Historically, bonds have been the namesake asset to own to protect capital during drawdowns. Many investors believe that bonds have an inverse relationship to stocks, i.e. when stocks go down, bonds go up, and vice-versa. This is called negative correlation. We believe that investors need to think differently moving forward, as this phenomenon has not always been the case. It's actually been the opposite.

The chart on the right shows that the highlighted area above 0.00 tends to occur more often - meaning that stocks and bonds tend to move in the same direction. For example, in 2022, stocks were down -18%, while Bonds were -13%. Bonds did not provide the protection that many investors expected.

By allocating to Bonds, we're giving up long-term growth of our capital in order to feel better about the short-term movement of our portfolio.



Source: Aptus Capital Advisors, Data as of 06/30/2025

We'd Prefer to Rely on Consistency of Protection

We believe that there is a more efficient and consistent way to protect capital during market drops. Our allocations attempt to keep more of our money in growth mode through stocks and buy **real** protection by owning volatility as an asset class. This allows our portfolios to not only reduce downside but add upside by enabling increased ownership of equities within the same risk tolerance level.

The Hardest Part of Getting New Ideas Into One's Head is Getting the Old Ones Out

Our Solution to Protecting Capital?

We View Volatility as An Asset Class: By Owning Volatility as an Asset Class,
We Actually Reduce the Overall Standard Deviation of the Allocation.

What Does it Mean to Own Volatility as an Asset Class?

Owning hedges costs money, but it can produce major portfolio benefits during bouts of market turbulence.

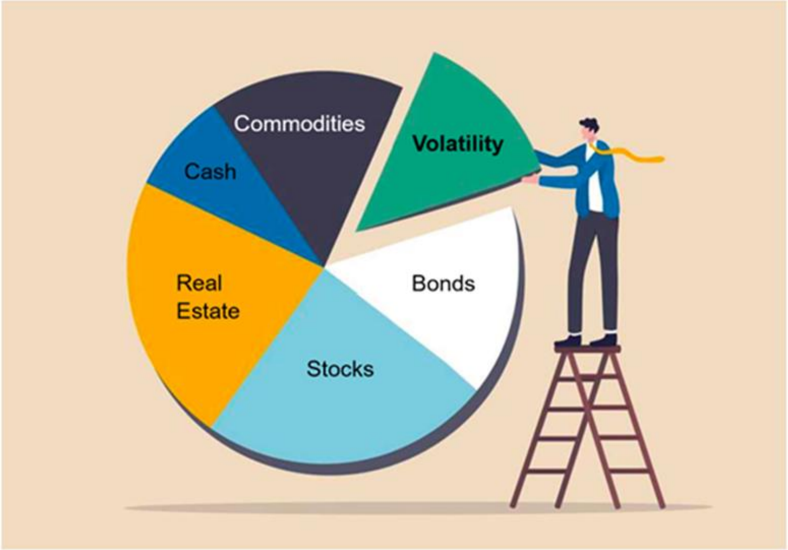
Stated Another Way: Most people have insurance policies on their cars and their homes where they pay an annual premium. Yet not many people have insurance on their larger nest egg, their financial assets. Paying the insurance premium is an example of negative carry – you are willing to pay that money, knowing there is a low likelihood of needing the payoff but it will be a significant benefit if needed. Owning volatility is similar, as you pay a small premium, with the opportunity to have a convex payout if there is a market catastrophe.

How Do You Implement Volatility as an Asset Class?

The long-term value of owning volatility as an asset class is its ability to lean on protection to 1) own more growth assets (Stocks), and 2) deploy fresh cash into sell-offs.

All versions of "owning volatility" help the allocation to perform better in the tails. That's the ultimate objective. More beta for the right tail and true risk management for the left, add yield in the middle of the bell curve.

Lastly, the best time to purchase stocks is at depressed valuations, which tend to occur during periods of downward volatility (i.e., COVID). Yet, many investors don't have the dry capital to deploy, as they are fully invested in the market. Utilizing volatility, through proper hedged management, can give investors the dry powder to purchase stocks at lower values, which has the potential to increase an allocation's upside capture.



Conceptual Illustration Purposes Only

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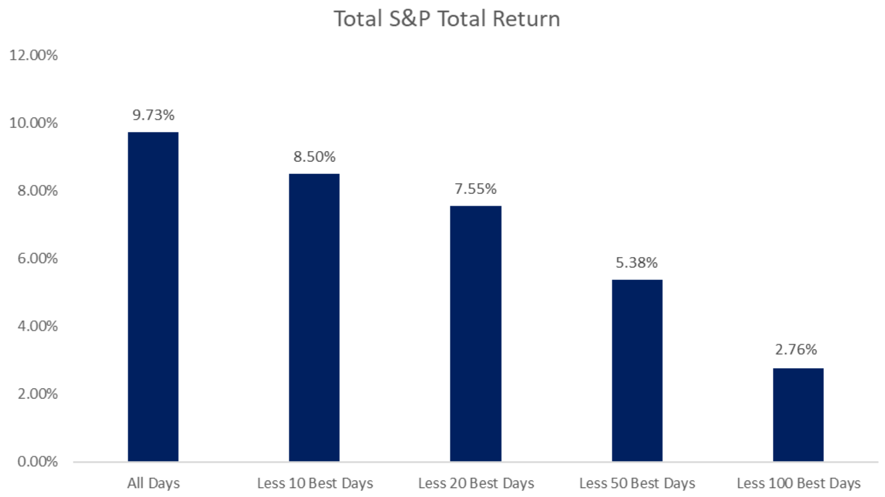
We Would Say That Convexity Equals Confidence. Better Brakes On Your Car Makes You a More Confident Driver. A Safety Rope Makes You a More Confident Rock Climber. Effective Asymmetric Portfolio Protection Makes You a More Confident Investor.

Consistent Behavior Breeds Winners

By Owning Volatility as an Asset Class, an Investor Has the Ability to Reduce the Downside Risk of a Portfolio. Being Able to Behave Well is Key to Long-Term Client Success.

It Pays to Stay Invested The US stock market has been resilient throughout its history. Stocks routinely recovered from short-term crisis events to move higher over longer time periods.

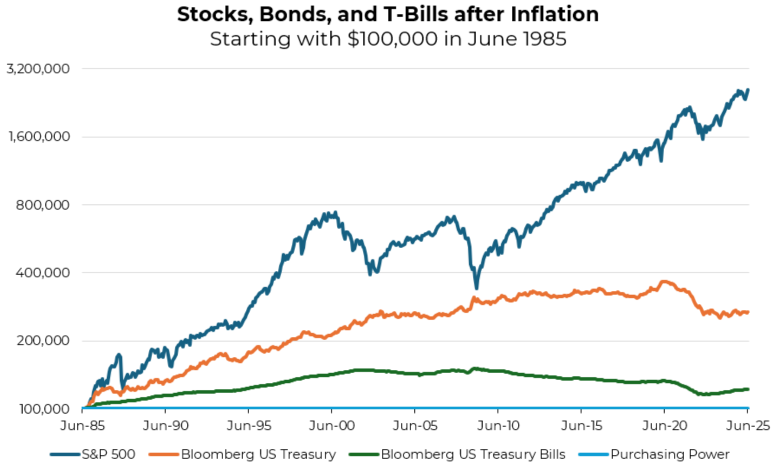
Timing the Market By trying to predict the best time to buy and sell, you may miss the market's biggest gains. Attempting to guess short-term swings make it very difficult to produce consistent results. The best method for loss avoidance is to expand your time horizon.



Source: Bloomberg LP, Aptus Research. Data 12/31/1927 - 06/30/2025

Holding Cash is Always a Losing Investment The *T-Bill and Chill* mantra has not been an investment strategy that has provided tangible safety to a portfolio. In fact, it has increased the likelihood of unintentionally injecting **Longevity Risk** into an allocation.

Over the last 30 years, the purchasing power of the US consumer dollar has been cut in half due to inflation. At the same time, the S&P 500 has gained 840% (7.8% per year) after adjusting for inflation. Why you need to invest, in one chart:



Source: Bloomberg, Aptus as of 6/30/25

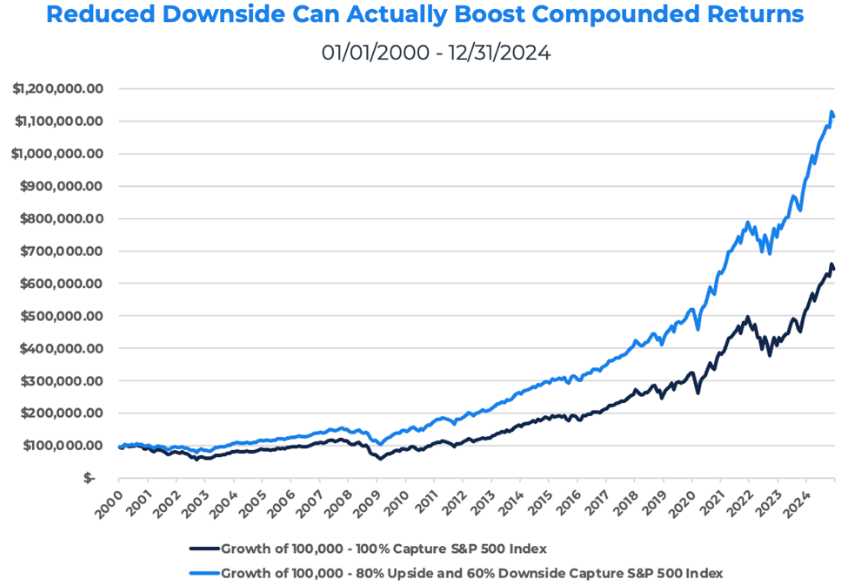
Attacking Investor's Biggest Risks With Conviction

Client's Objectives Are Based on Life Goals, Not Benchmarks. Hard Earned Assets Should Be Positioned to Compound (Grow) at a Rate that Maintains or Even Improves Lifestyle. Reducing Drawdown and Longevity Risks Help Attack These Problems.

Attacking Drawdown Risk *The Known Risk*:

By using volatility as an asset class, we believe that our portfolios have the ability to efficiently protect capital during a market drop, while also providing dry powder during periods where asset prices are cheap (buy low, sell high mentality). The side effects of capturing less of a market drawdown are contagious, as an investor can reduce sharp portfolio swings and protect against behaviors that can harm a financial plan.

The chart below is not a representation of the capture ratios of our allocation, but more a long-term depiction showing that there is a lot of upside in less downside.



Source: Bloomberg, Aptus Research. Conceptual Illustration: This graph assumes an initial investment of $100,000 on 1/1/2000. All dividends and distributions are reinvested. Performance shown does not reflect investor-specific activities, such as contributions, withdrawals, or restrictions. In addition, such results may not reflect the impact that material, economic and market factors may have had during the entire period portrayed. Actual returns experienced by investors will differ from model results. This is not a recommendation to buy or sell any of the securities mentioned herein. The holdings identified above do not represent all of the securities purchased, sold, or recommended for the adviser's clients. Holdings are subject to change without notice. A complete list of holdings is available upon request.

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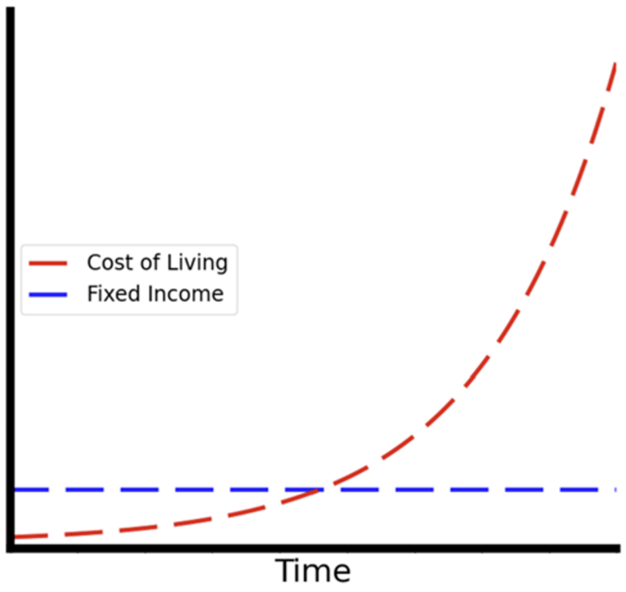
Attacking Longevity Risk *The Silent Risk*:

The structure of our Asset Allocation – owning more stocks, less bonds, while remaining risk neutral – allows us to remove the sneaky injection of longevity risk, by owning more of what we believe will compound capital over the long-term.

We prefer to equip portfolios with a stronger engine (stocks), while using better brakes (hedges) to stay risk-neutral vs. traditional benchmarks. Simply put, we think the religion around owning bonds for income and protection is dated.

Given that fixed income does not cover the skyrocketing increases of the cost-of-living, we believe that bonds introduce longevity risk into portfolios. And, by the time the holder knows it, it may be too late to overcome the anchor of a no-growth allocation. That's why we dedicate more to assets that can grow, using hedges to keep portfolio risk stable.

Fixed Income in a Rising Cost World



This chart is a conceptual illustration: Information presented in the above chart are for illustrative purposes only and should not be interpreted as the actual performance of any investor's account. As these are not actual results and completely assumed, they should not be relied upon for investment decisions. Actual results of individual investors will differ due to many factors, including individual investments and fees, client restrictions, and the timing of investments and cash flow.

APTUS CAPITAL ADVISORS

Our Allocation in Practice

Executing the Structure of Our Asset Allocation

Bigger Engine

Stocks/Bonds Split	
Aptus	**Benchmark**
49/51	30/70
62/38	40/60
75/25	60/40
92/8	80/20
100/0	80/20

More Stocks

+

Better Brakes

Standard Deviation	
Aptus	**Benchmark**
6.66%	7.40%
8.04%	8.08%
10.29%	10.41%
12.06%	12.82%
11.15%	10.87%

Risk Neutral

+

More Yield

Portfolio Yield	
Aptus	**Benchmark**
2.97%	3.32%
2.71%	3.09%
2.18%	2.61%
2.03%	2.23%
1.82%	2.23%

Enhanced Income

=

Better Experience

Asset Allocation	Benchmark
Aptus Preserve	iShares Conservative (AOK)
Aptus Conservative	iShares Moderate (AOM)
Aptus Moderate	iShares Growth (AOR)
Aptus Growth	iShares Aggressive (AOA)
Aptus Aggressive	iShares Aggressive (AOA)

Aptus Impact Series

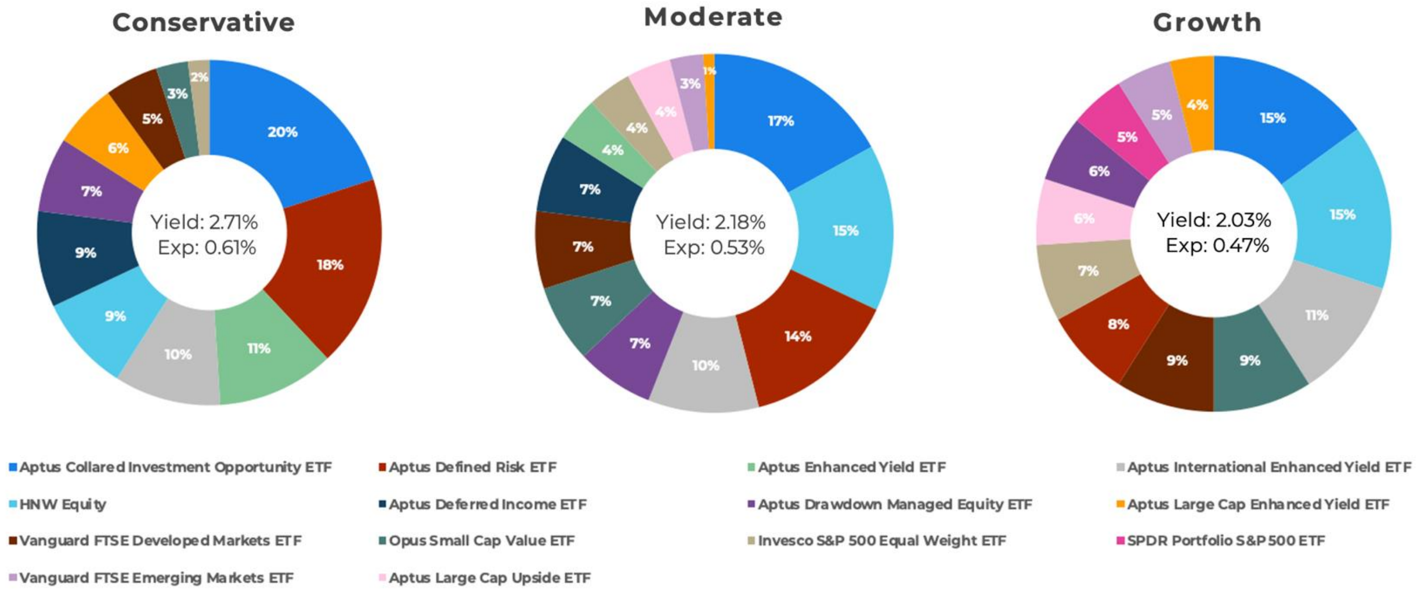
Source: Bloomberg, Data as of 06/30/2025. The yield percent in the chart above is the indicated yield which is the annualized yield of the most recent dividend distribution. Yield is not indicative of current or future performance or returns. The Standard Deviation figure is since inception. Please note that the inception date for Aptus Conservative, Aptus Moderate and Aptus Growth is 1/1/2017. The inception date for Aptus Preserve and Aptus Aggressive is different – 1/1/2023.

Multi-Manager Portfolios With Individual Stocks

Conservative Allocation: Designed with the primary objective of stability plus opportunity for appreciation. Reducing drawdown is the foundation, with lower exposure to traditional equities.

Moderate Allocation: Designed with flexibility to dynamically adjust exposure as risks & opportunities change. Balancing the reduction of both drawdown and longevity risk is the goal, designed to capture market returns while mitigating significant declines. Nearly half of the equity exposure contains some form of explicit hedging.

Growth Allocation: Designed to accumulate wealth through equities. Reduced drawdown remains a feature, but with a greater emphasis on reducing longevity risk by harnessing the compounding power of stocks.



Equity Sleeve

AMT	MSFT
AMZN	NOW
BR	NVDA
CHE	PGR
CPRT	PWR
FANG	ROP
JPM	V
	WMT

Holdings as of 06/30/2025 Please see attached disclosures.

Long-Term Performance Results

Impact Series Performance (as of 6/30/2025)	June	Q2	YTD	1 Yr	3 Yr	5 Yr	Inception 1/1/2017	Inception 1/1/2023*	Equities	Fixed	Hedged Eq.
Aptus Impact Series: Preserve*	**2.81%**	**5.40%**	**4.94%**	**9.15%**				**9.62%**	**22%**	**51%**	**27%**
iShares Allocation ETF 30:70	2.47%	4.53%	5.89%	9.42%	7.27%	3.96%	4.76%	9.36%	30%	70%	0%
Aptus Impact Series : Conservative	**2.79%**	**6.17%**	**5.57%**	**10.51%**	**9.16%**	**5.41%**	**6.12%**		**35%**	**38%**	**27%**
iShares Allocation ETF 40:60	2.81%	5.52%	6.59%	10.46%	8.74%	5.42%	5.78%	10.82%	40%	60%	0%
Aptus Impact Series: Moderate	**3.24%**	**6.91%**	**6.01%**	**11.13%**	**10.75%**	**7.83%**	**7.79%**		**50%**	**25%**	**25%**
iShares Allocation ETF 60:40	3.36%	7.41%	7.88%	12.32%	11.40%	8.20%	7.67%	13.81%	60%	40%	0%
Aptus Impact Series: Growth	**3.57%**	**7.82%**	**6.68%**	**12.43%**	**12.86%**	**9.56%**	**9.15%**		**72%**	**8%**	**20%**
iShares Allocation ETF 80:20	4.03%	9.33%	9.17%	14.15%	14.21%	10.99%	9.54%	16.53%	80%	20%	0%
Aptus Impact Series: Agg Growth*	**3.80%**	**8.48%**	**7.04%**	**12.94%**				**16.58%**	**85%**	**0%**	**15%**

**Official tracking for the Preserve and Aggressive Growth composites began 1/1/2023, to be distinguished from the 1/1/2017 start date for the Conservative, Moderate, and Growth composites.*

The performance data represents past performance & does not guarantee future results. Investment return & principal value of an investment will fluctuate, so an investor's shares may be worth more or less than original cost when sold. Current performance may be higher or lower than quoted performance. Returns are expressed in US dollars, & periods >1 year are annualized. Returns are calculated net of all fund fees and expenses. Net returns shown include the deduction of the highest sub-advisory fee charged to our clients in sub-advisory arrangements, 0.15%. This is the maximum subadvisory fee paid during the time periods presented, and individual accounts may pay a lower effective fee. For our fee schedule please refer to Form ADV 2A, which is available upon request . Actual client results may be lower based on imposition of additional advisory fees, platform fees, & custodial fees charged by firms. iShares Core Allocation ETFs are designed as diversified core portfolios based on the specific risk consideration of the investor. For performance through most recent month end, please call (251) 517-7198 or visit impact-series.com/fact-sheets

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Information presented on this presentation is for educational purposes only and offers generalized speech. It is for informational purposes only and does not constitute a complete description of our investment services or performance. Information specific to the underlying securities making up the portfolios can be found in the Funds' prospectuses. Please carefully read the prospectus before making an investment decision. All investments involve risk and unless otherwise stated, are not guaranteed. Be sure to consult with an investment & tax professional before implementing any investment strategy.

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

Investment-grade Bond (or High-grade Bond) are believed to have a lower risk of default and receive higher ratings by the credit rating agencies. These bonds tend to be issued at lower yields than less creditworthy bonds.

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