Return Stacked®

# RDMIX – Balanced Allocation & Systematic Macro



January 2025

# Important Disclosures

**Diversification does not ensure a profit or guarantee against a loss.**

**Past Performance is not a guarantee of future results.**

**The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please call toll-free (800) 253 - 0412.**

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Rational Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling (800) 253-0412 or at www.returnstackedfunds.com or www.rationalfunds.com . The prospectus should be read carefully before investing. The Rational Funds are distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Rational Advisors, Inc., ReSolve Asset Management Inc., ReSolve Asset Management SEZC (Cayman) and Newfound Research are not affiliated with Northern Lights Distributors, LLC.**

Rational Advisors, Inc. (the "Advisor") is the Fund's investment advisor.

Newfound Research LLC is the investment sub-advisor of the Balanced Allocation Strategy component of the Fund's portfolio.

ReSolve Asset Management Inc. ("ReSolve Canada") is the Fund's sub-advisor of the Systematic Macro Strategy component of the Fund's portfolio.

ReSolve Asset Management SEZC (Cayman) is the Fund's futures trading advisor of the Systematic Macro Strategy component of the Fund's portfolio.

# Important Risk Factors

Investing in the Fund carries certain risks. The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio. Investing in the commodities markets (directly or indirectly) may subject the Fund to greater volatility than investments in traditional securities. Commodity prices may be influenced by unfavorable weather, animal and plant disease, geologic and environmental factors as well as changes in government regulation such as tariffs, embargoes or burdensome production rules and restrictions.

**Derivatives** are investments in which the value is "derived" from the value of an underlying asset, reference rate, or index. The value of derivatives may rise or fall more rapidly than other investments. For some derivatives, it is possible to lose more than the amount invested in the derivative. The Fund acquired all of the assets and liabilities of Chesapeake Fund, LLC (the "Predecessor Fund") in a tax-free reorganization on December 31, 2016. In connection with this acquisition, shares of the Predecessor Fund were exchanged for Institutional Shares of the Fund. At the time of the reorganization, the Predecessor Fund had an investment objective and strategies that were, in all material respects, the same as those of the Fund, and was managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. Effective February 27, 2018, the Fund's investment strategy changed and a new Sub-Advisor replaced the prior sub-advisor. Effective January 1st, 2025, the Fund's investment strategy changed. Consequently, prior performance may not reflect the Fund's current operations.

# Important Risk Factors

**Bond Risk:** The Fund will be subject to bond and fixed income risks through its investments in U.S. Treasury and fixed income futures contracts. Changes in interest rates generally will cause the value of fixed-income and bond instruments held by the Fund to vary inversely to such changes.

**Counterparty Risk:** Counterparty risk is the likelihood or probability that a party involved in a transaction might default on its contractual obligation. Where the Fund enters into derivative contracts that are exchange-traded, the Fund is subject to the counterparty risk associated with the Fund's clearing broker or clearinghouse. Relying on a counterparty exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. If a counterparty defaults on its payment obligations to the Fund, this default will cause the value of an investment in the Fund to decrease. In addition, to the extent the Fund deals with a limited number of counterparties, it will be more susceptible to the credit risks associated with those counterparties.

**Derivatives Risk:** Derivatives are instruments, such as futures contracts, whose value is derived from that of other assets, rates, or indices. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments.

**Equity Market Risk:** By virtue of the Fund's investments in equity securities, equity ETFs, and equity index futures agreements, the Fund is exposed to equity securities both directly and indirectly which subjects the Fund to equity market risk. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from specific issuers. Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests.

**High Portfolio Turnover Risk:** The Fund may actively and frequently trade all or a significant portion of the Fund's holdings. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses. Frequent trading may also cause adverse tax consequences for investors in the Fund due to an increase in short-term capital gains.

**Interest Rate Risk:** Interest rate risk is the risk that prices of fixed income securities generally increase when interest rates decline and decrease when interest rates increase. The Fund may lose money if short-term or long-term interest rates rise sharply or otherwise change in a manner not anticipated by the Sub-Adviser.

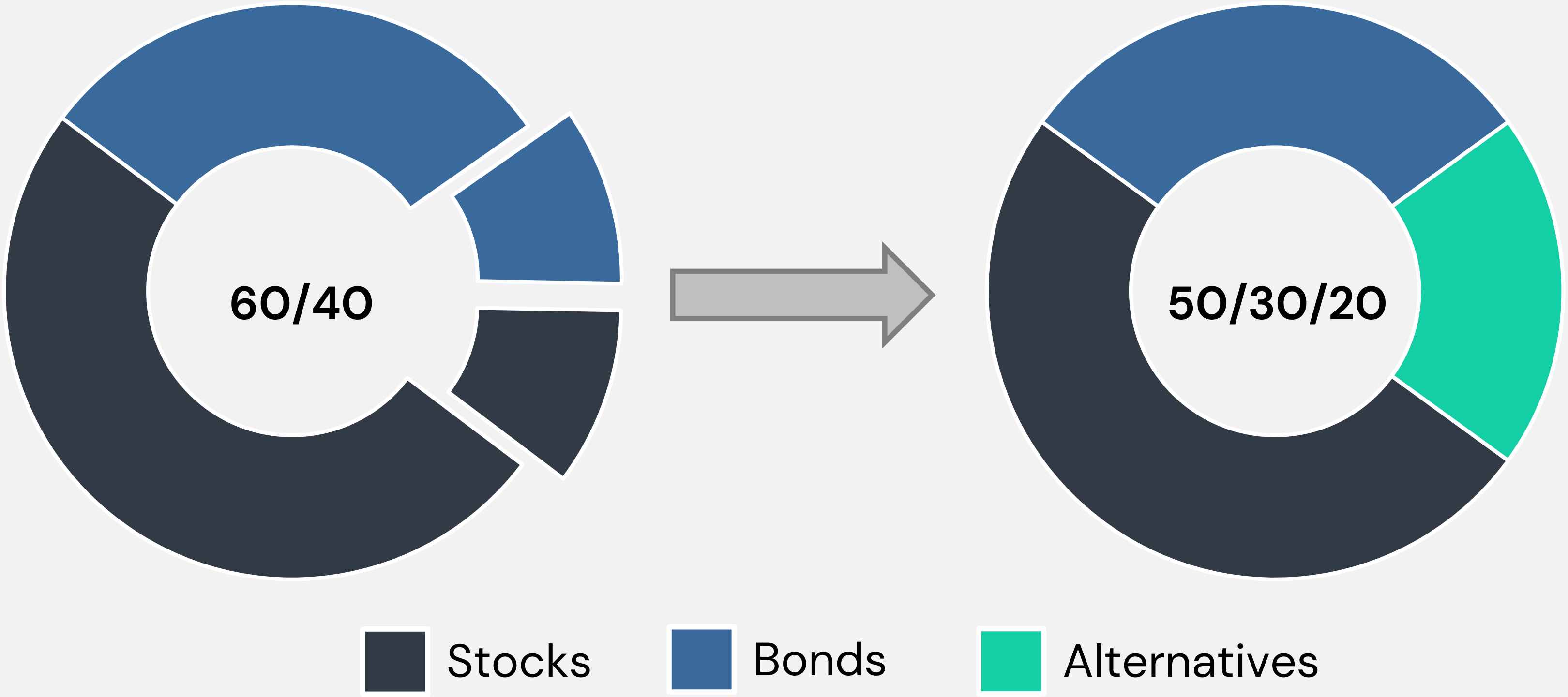
**Leverage Risk:** As part of the Fund's principal investment strategy, the Fund will make investments in futures contracts to gain long and short exposure across four major asset classes (commodities, currencies, fixed income, and equities). These derivative instruments provide the economic effect of financial leverage by creating additional investment exposure to the underlying instrument, as well as the potential for greater loss.

# What is Return Stacking?

THE POTENTIAL PROBLEM

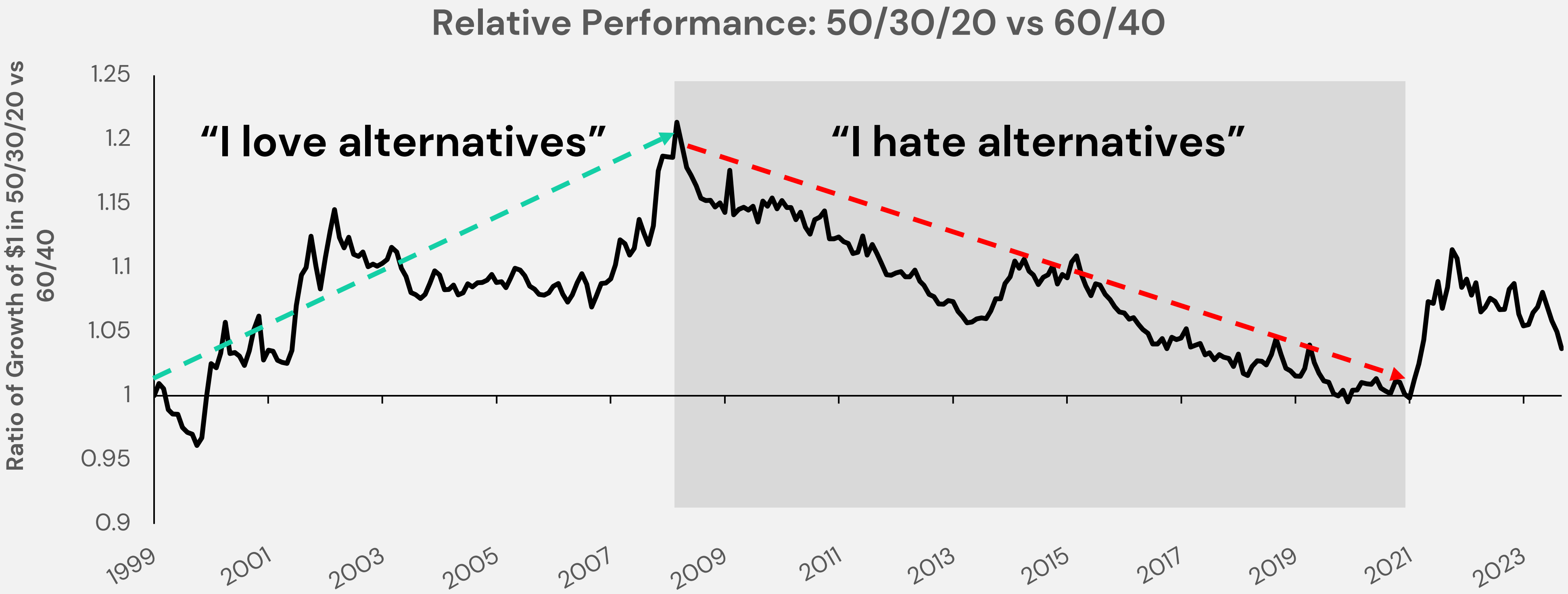
# Adding Alternatives Usually Requires Sacrificing Core Stocks & Bonds

Diversification helps during difficult periods for the core portfolio but weighs on returns when alternatives underperform.




*"60/40" Refers to a 60% allocation to stocks and a 40% allocation to bonds. "50/30/20" refers to a 50% allocation to stocks, a 30% allocation to bonds, and a 20% allocation to alternatives.*

# Making Room in a Portfolio for Diversifiers Can Lead to Behavioral Friction when Alternatives Underperform




*The green line and "I love alternatives" Illustrates a period where a 20% allocation to alternatives is outperforming the rest of the portfolio which could make it easier for investors to hold relative to a 60/40 portfolio. The red line, grayed out area and "I hate alternatives" represent a period where a 20% allocation to alternatives are underperforming the rest of the portfolio and could make it harder to hold from behaviorally.*

*Source: Bloomberg and Société Générale. U.S. Stocks is the S&P 500 Index ("SPX"). U.S. Bonds is the Bloomberg US Aggregate Bond Index ("LBUSTRUU"). Returns for both U.S. Stocks and U.S. Bonds are gross of all fees. CTA Trend is the Société Générale Trend Index ("NEIXCTAT"), an index designed to track the largest trend following commodity trading advisors ("CTAs") in the managed futures space net of underlying fees. 50/30/20 is 50% U.S. Stocks / 30% U.S. Bonds / 20% CTA Trend rebalanced monthly. 60/40 is 60% U.S. Stocks / 40% U.S. Bonds rebalanced monthly. You cannot invest in an index. Returns are gross of taxes. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results. Period is 12/31/1999 through 8/31/2024. The starting date is chosen based upon the earliest date data is available for the underlying indexes.*



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OUR SOLUTION

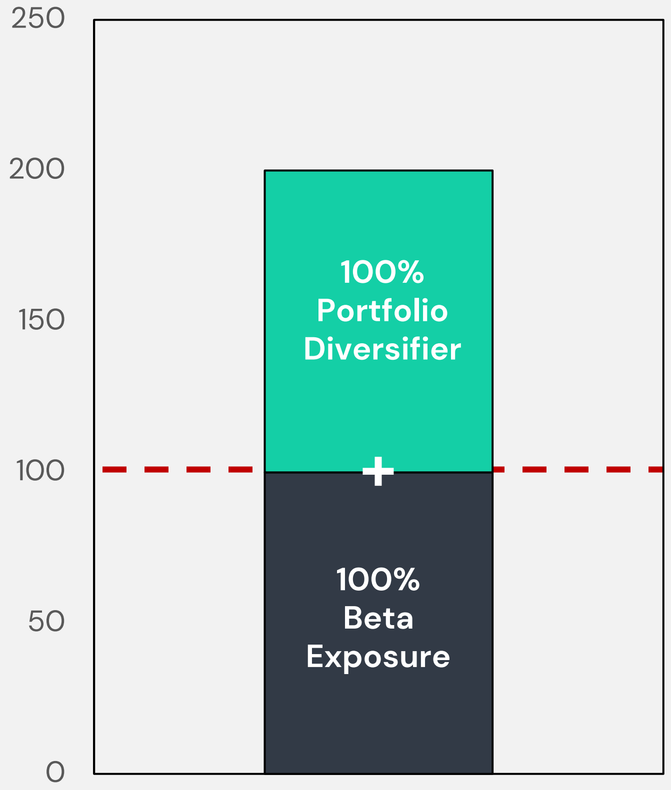
# Return Stacking

At its core, Return Stacking is the idea of layering one *diversified* return on top of a traditional asset class, achieving more than $1 of exposure for each $1 invested.

An example might include combining core betas (e.g. stocks or bonds) with a diversifier (e.g. gold or managed futures) or an alpha strategy (e.g. merger arbitrage).

Institutions have applied these concepts going back to the 1980s and Return Stacked® Funds now make them available to all investors.

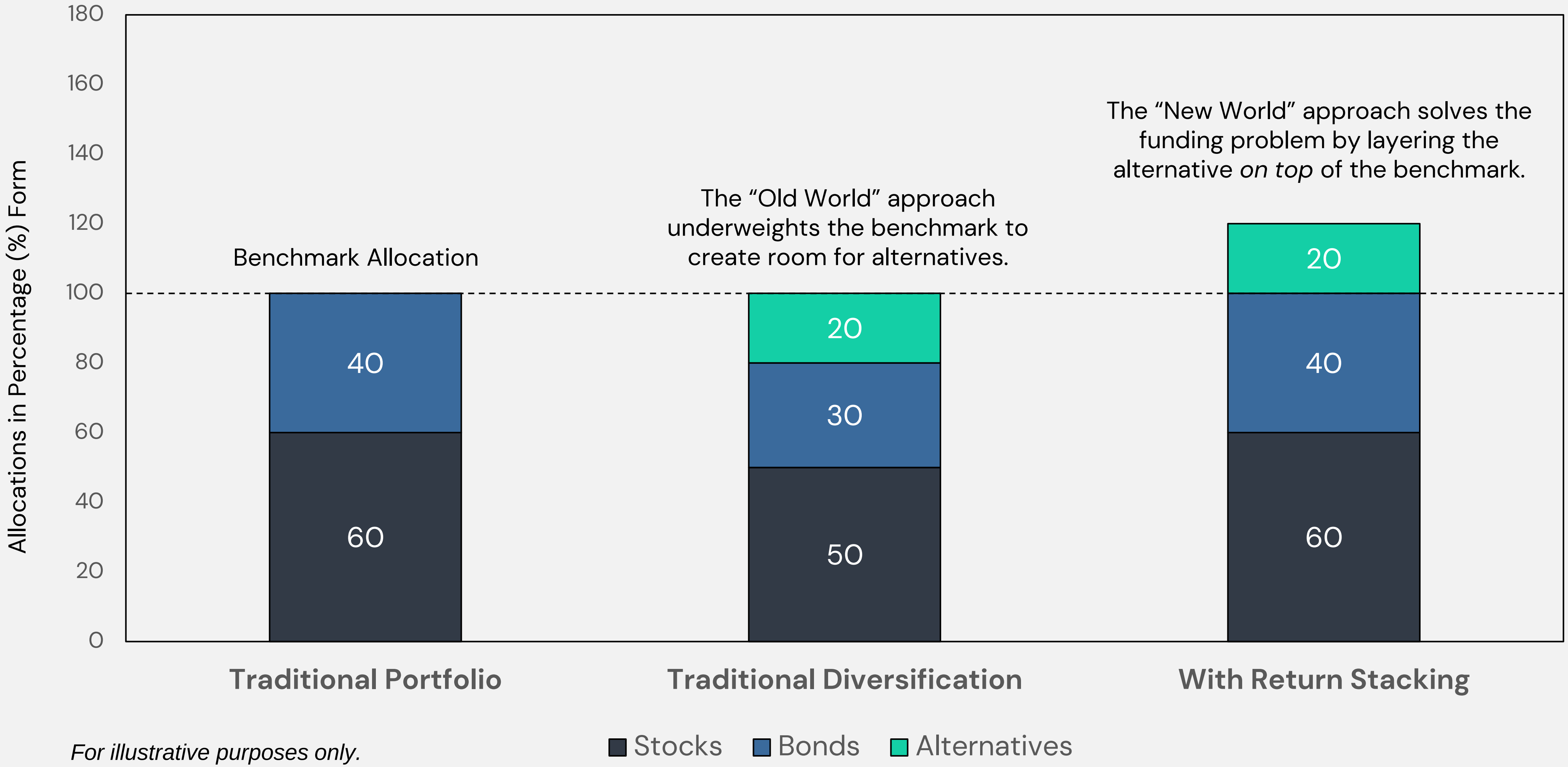
## A Return Stacking Portfolio




*For illustrative purposes only. The redline represents the cutoff between a traditional portfolio exposure and the exposure an investor may receive through a return stacked portfolio.*

*A "traditional asset class" refers to stocks and bonds.*

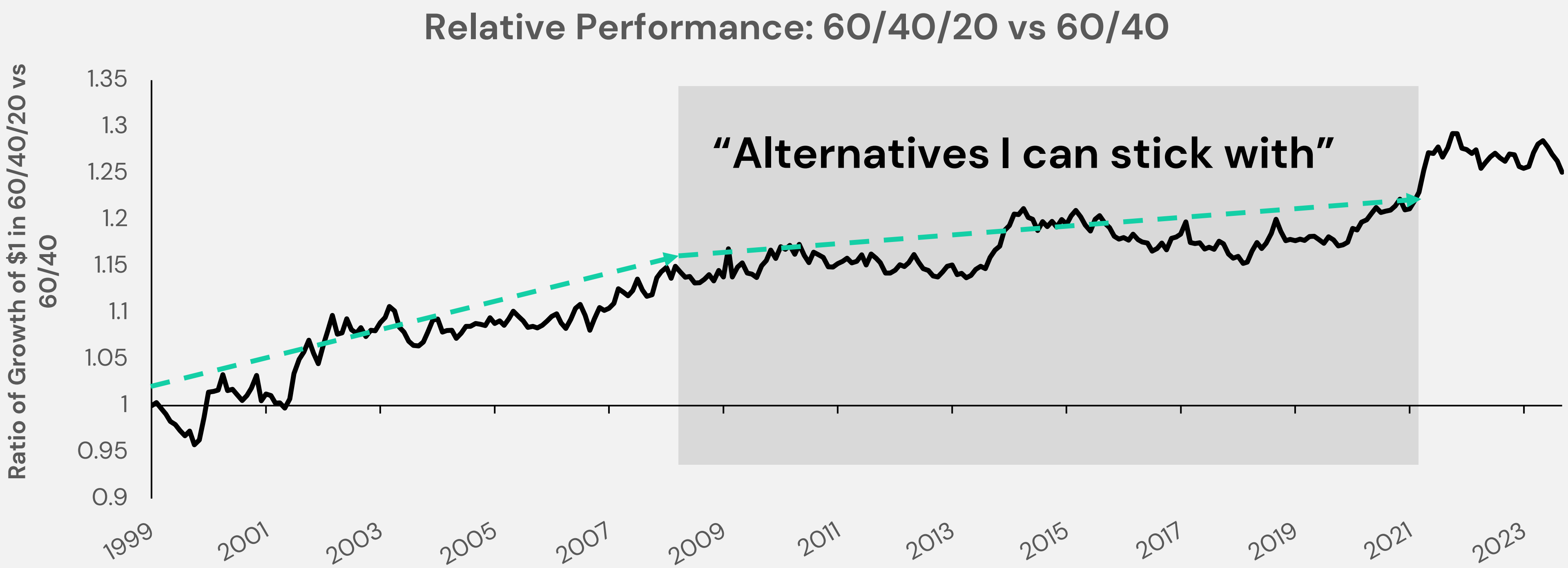
# Return Stacking Solves The Alternative Strategy "Funding" Problem




*For illustrative purposes only.*

*"Traditional Portfolio" represents a traditional investor's allocation to 60% stocks and 40% bonds. "Traditional Diversification" represents a traditional attempt at diversification through a 50% allocation to stocks, 30% allocation to bonds, and 20% allocation to alternatives.*

# Helping To Avoid Behavioral Friction by Stacking Alternatives on Top of Traditional Allocations




*The green line and the phrase "Alternatives I can stick with" help illustrate how <u>stacking</u> 20% to alternatives <u>on top</u> of a 60/40 portfolio exhibited more consistent, upward sloping relative performance even in the decade where managed futures did poorly relative to a 60/40 portfolio (the gray area) and hence could make it easier to hold from a behavioral perspective.*

*Source: Bloomberg and Société Générale. U.S. Stocks is the S&P 500 Index ("SPX"). U.S. Bonds is the Bloomberg US Aggregate Bond Index ("LBUSTRUU"). Returns for both U.S. Stocks and U.S. Bonds are gross of all fees. CTA Trend is the Société Générale Trend Index ("NEIXCTAT"), an index designed to track the largest trend following commodity trading advisors ("CTAs") in the managed futures space net of underlying fees. 60/40 is 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index rebalanced monthly. 60/40/20 is the 60/40 portfolio plus 20% in the Société Générale Trend Index minus 20% in the Bloomberg Short Treasury US Total Return Index ("LD12TRUUU"). You cannot invest in an index. Returns are gross of taxes. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results. Period is 12/31/1999 through 8/31/2024. The starting date is chosen based upon the earliest date data is available for the underlying indexes.*



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# Leading To Benefits In Two Key Dimensions

**Stacking for Outperformance**

- Seeks to introduce additional return streams on top of your core portfolio.
- Pursue alpha sources outside of traditional security selection.

**Stacking for Diversification**

- Seeks to introduce return streams that can diversify, not dilute, core stock and bond positions.
- Add the potential to reduce behavioral frictions associated with diversification.

# Return Stacked® Balanced Allocation & Systematic Macro (RDMIX)

# RDMIX – Balanced Allocation & Systematic Macro

The Fund seeks long-term capital appreciation by investing in two complementary investment strategies: a balanced allocation strategy and a systematic macro strategy.

For every $1 invested, the Fund seeks to provide $1 of exposure to its Balanced Allocation strategy plus $1 of exposure to its Systematic Macro strategy.

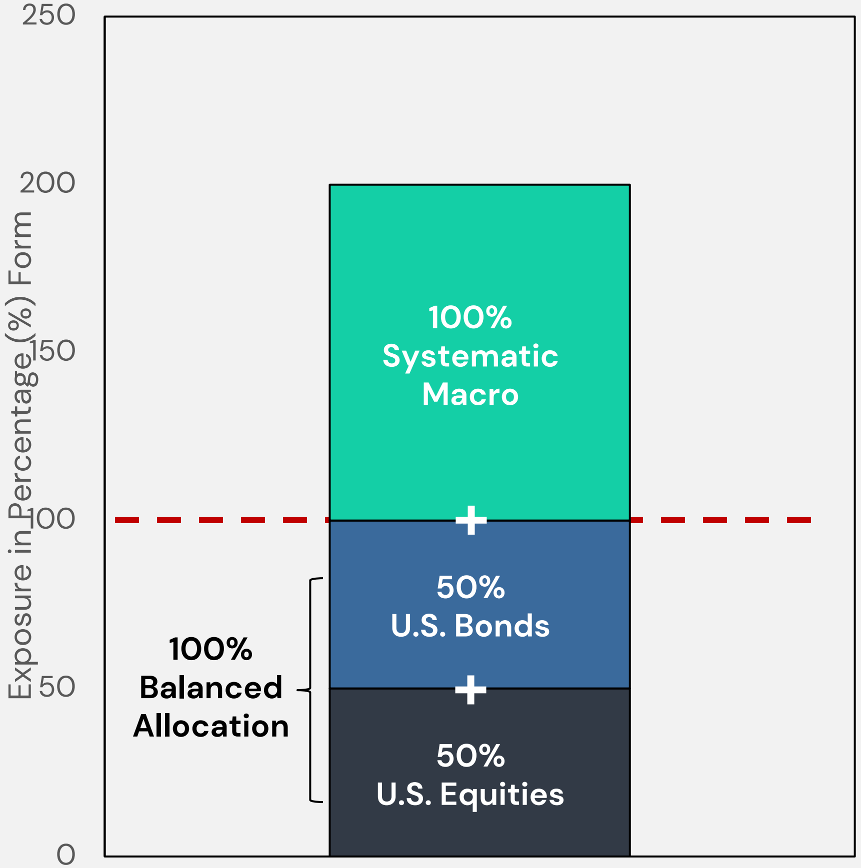
## Balanced Allocation Strategy

Seeks to provide exposure to target a mix of approximately 50% U.S. equities and 50% U.S. bonds.

## Systematic Macro Strategy

Invests long and short across equities, bonds, currencies and commodities using a variety of quantitative investment signals.

### RDMIX Illustrative Portfolio



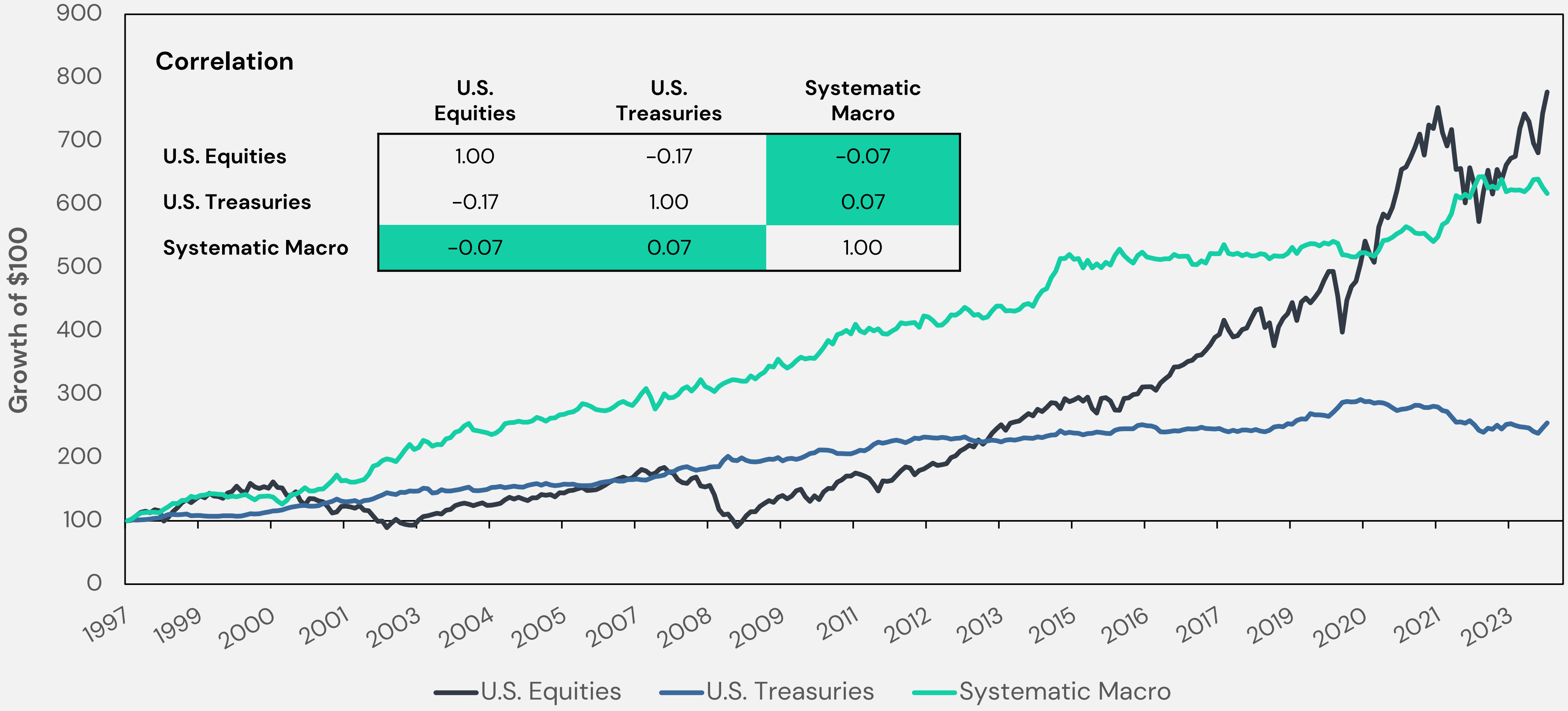

*For illustrative purposes only. The redline represents the cutoff between a traditional portfolio exposure and the exposure an investor may receive through RDMIX.*

# What is Systematic Macro?

Systematic macro strategies leverage data-driven, algorithmic approaches to exploit opportunities in global macroeconomic trends.

| | |
|---|---|
| **Data-Driven Decisions** | Systematic macro strategies leverage large datasets and sophisticated statistical models to identify patterns and relationships across global markets. |
| **Rules-Based Execution** | Investment decisions are governed by predefined algorithms, minimizing emotional bias and ensuring consistent application of the strategy. |
| **Multi-Asset, Global Focus** | These strategies often trade across asset classes—equities, bonds, currencies, and commodities—capitalizing on macroeconomic trends and intermarket relationships. |
| **Directional Flexibility** | Can take both long and short positions, enabling them to potentially profit from rising or falling markets and adapt to diverse macroeconomic conditions. |
| **Risk-Managed Returns** | Emphasis on diversification, disciplined position sizing, and dynamic risk control to navigate volatile macroeconomic environments. |

# Stocks, Bonds & Systematic Macro

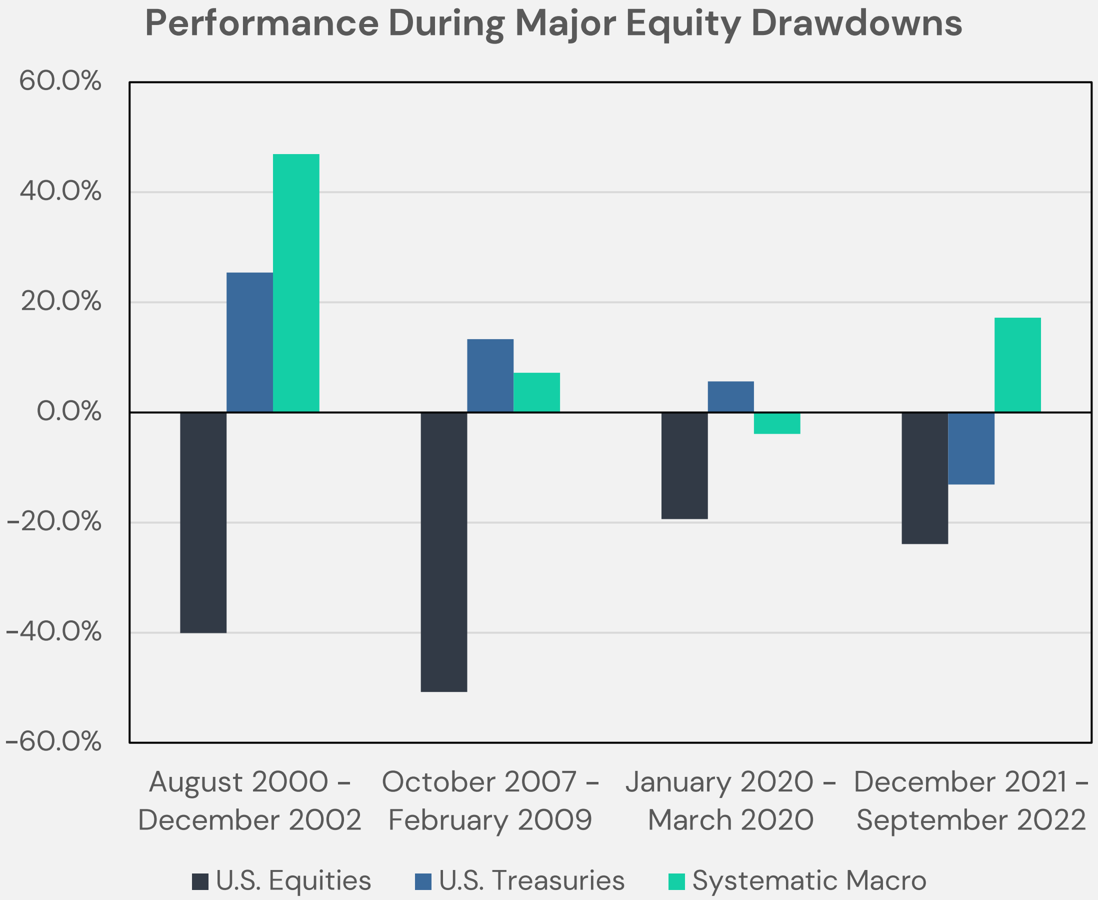



**Correlation**

| | U.S. Equities | U.S. Treasuries | Systematic Macro |
|---|---|---|---|
| **U.S. Equities** | 1.00 | -0.17 | -0.07 |
| **U.S. Treasuries** | -0.17 | 1.00 | 0.07 |
| **Systematic Macro** | -0.07 | 0.07 | 1.00 |

*Source: Bloomberg and Pivotal Path. U.S. Equities is the S&P 500 Total Return Index ("SPXT"). U.S. Treasuries is the Bloomberg US Treasury Total Return Index ("LUATTRUU"). Systematic Macro is the PivotalPath GlobalMacro: Quantitative Index ("GBMQNT"). You cannot invest in an index. Please see glossary at the end of this presentation for index definitions. Returns are gross of all fees and taxes, except for Systematic Macro, which is net of underlying management fees. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results. Period is 12/31/1997 through 12/31/2023. The starting date is chosen based upon the earliest date data is available for the underlying indexes.*

# Why Systematic Macro?

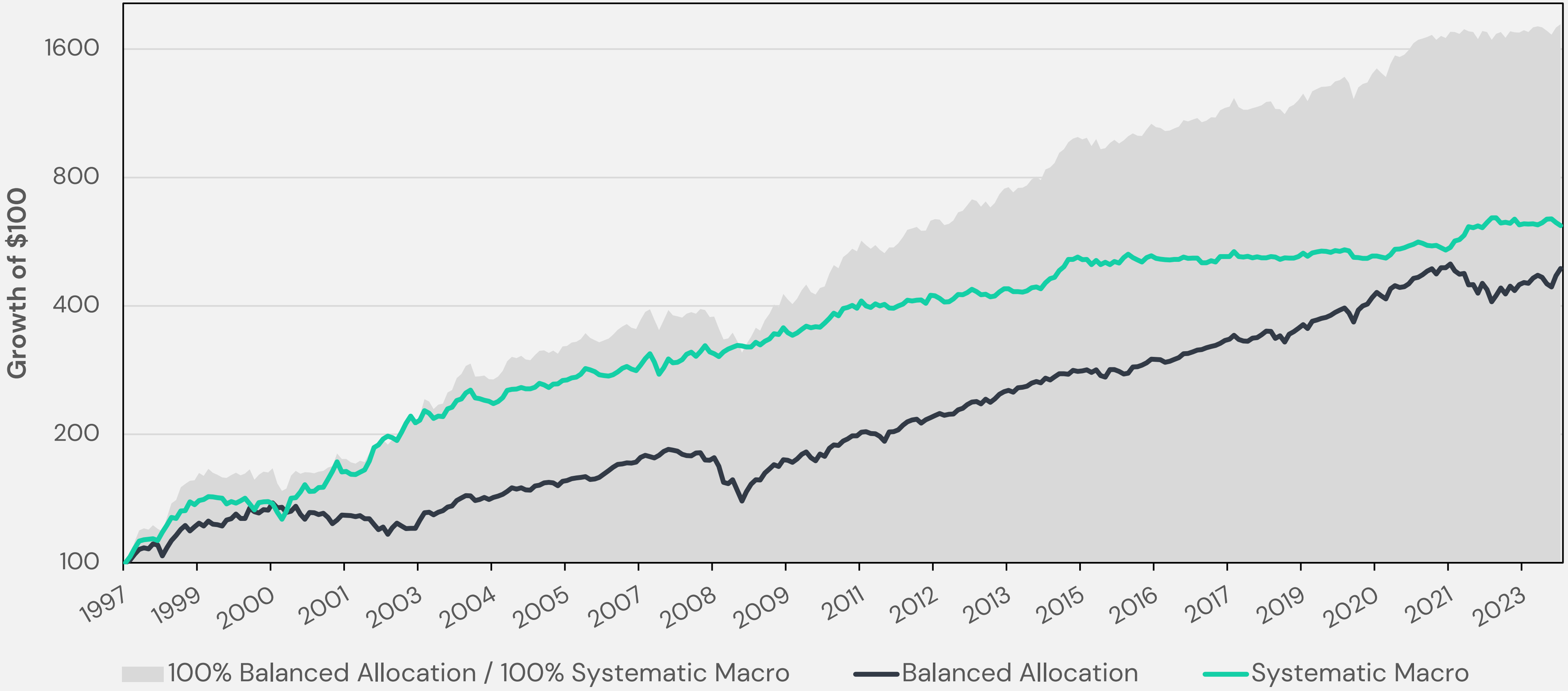



Historically, Systematic Macro has exhibited:

- Positive long-term returns.
- Low correlation to both stocks and bonds.
- Positive returns during sustained equity drawdowns.
- Positive returns during inflationary regimes.

*Source: Bloomberg and Pivotal Path. U.S. Equities is the S&P 500 Total Return Index ("SPXT"). U.S. Treasuries is the Bloomberg US Treasury Total Return Index ("LUATTRUU"). Systematic Macro is the PivotalPath GlobalMacro: Quantitative Index ("GBMQNT"). You cannot invest in an index. Please see glossary at the end of this presentation for index definitions. Returns are gross of all fees and taxes, except for Systematic Macro, which is net of underlying management fees. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results.*

# Stacking Balanced Allocation & Systematic Macro

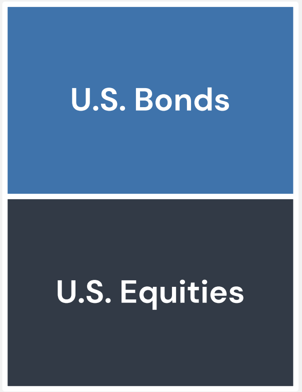



*Source: Bloomberg and Pivotal Path. U.S. Equities is the S&P 500 Total Return Index ("SPXT"). U.S. Treasuries is the Bloomberg US Treasury Total Return Index ("LUATTRUU"). Systematic Macro is the PivotalPath GlobalMacro: Quantitative Index ("GBMQNT"). 100% Balanced Allocation / 100% Systematic Macro is 50% U.S. Equities / 50% U.S. Treasuries / 100% Systematic Macro / -100% Bloomberg Short Treasury US Total Return Index ("LD12TRUUU") rebalanced monthly. You cannot invest in an index. Please see glossary at the end of this presentation for index definitions. Returns are gross of all fees and taxes, except for Systematic Macro, which is net of underlying management fees. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results. Period is 12/31/1997 through 12/31/2023. The starting date is chosen based upon the earliest date data is available for the underlying indexes.*

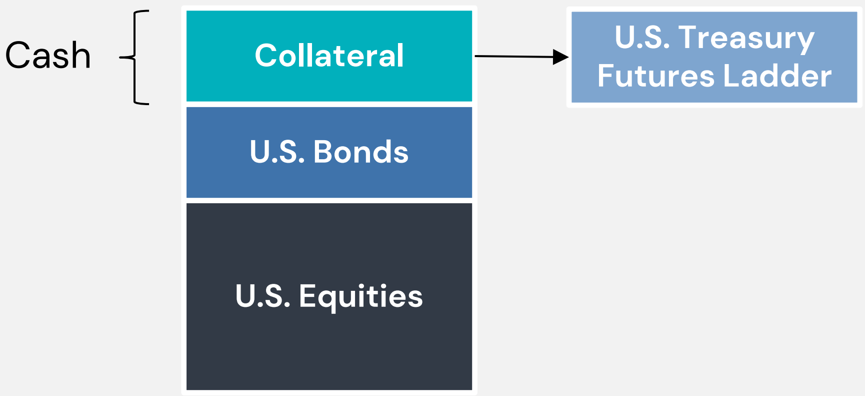
# RDMIX's Balanced Allocation Strategy

The Balanced Allocation Strategy seeks to provide exposure to target a mix of approximately 50% U.S. equities + 50% U.S. bonds.

To enable return stacking while achieving 100% exposure to a Balanced Allocation, the strategy is implemented with capital efficient instruments – such as futures contracts – allowing the remaining capital to be invested in the Systematic Macro strategy.




**Target Exposure**




**Balanced Allocation Implementation Example**

Replace some or all of U.S. Bond allocation with cash, a portion of which is then used as margin to purchase a ladder of U.S. Treasury futures, reintroducing U.S. Bond exposure to the portfolio.

*For illustrative purposes only. Capital efficiency refers to the ability for an investment to provide exposure to a particular asset class or strategy while using fewer assets. "Cash" is money market funds and/or a ladder of short-term U.S. Treasury Bills.*

# RDMIX's Systematic Macro Strategy

A focus on diversifying across systematic signals that have historically generated positive long-run returns.

### Trend Following
Trading with market direction

### Mean Reversion
Prices returning to average

### Seasonality
Recurring price patterns

### Carry
Higher yields, higher returns

### Skewness
Tail risk compensation

### Relative Value
Comparing assets for mispricing

See Appendix for full definitions

# Investment Universe

The Systematic Macro strategy trades more than 65 contracts* in 8 sectors.

**Agriculture**
15 Markets: Global

**Bonds**
9 Markets: U.S., E.U. & Asia

**Rates**
6 Markets: Global

**Energy**
8 Markets: Oil & Gas

**Equities**
11 Markets: Indexes

**Metals**
7 Markets: Precious & Base

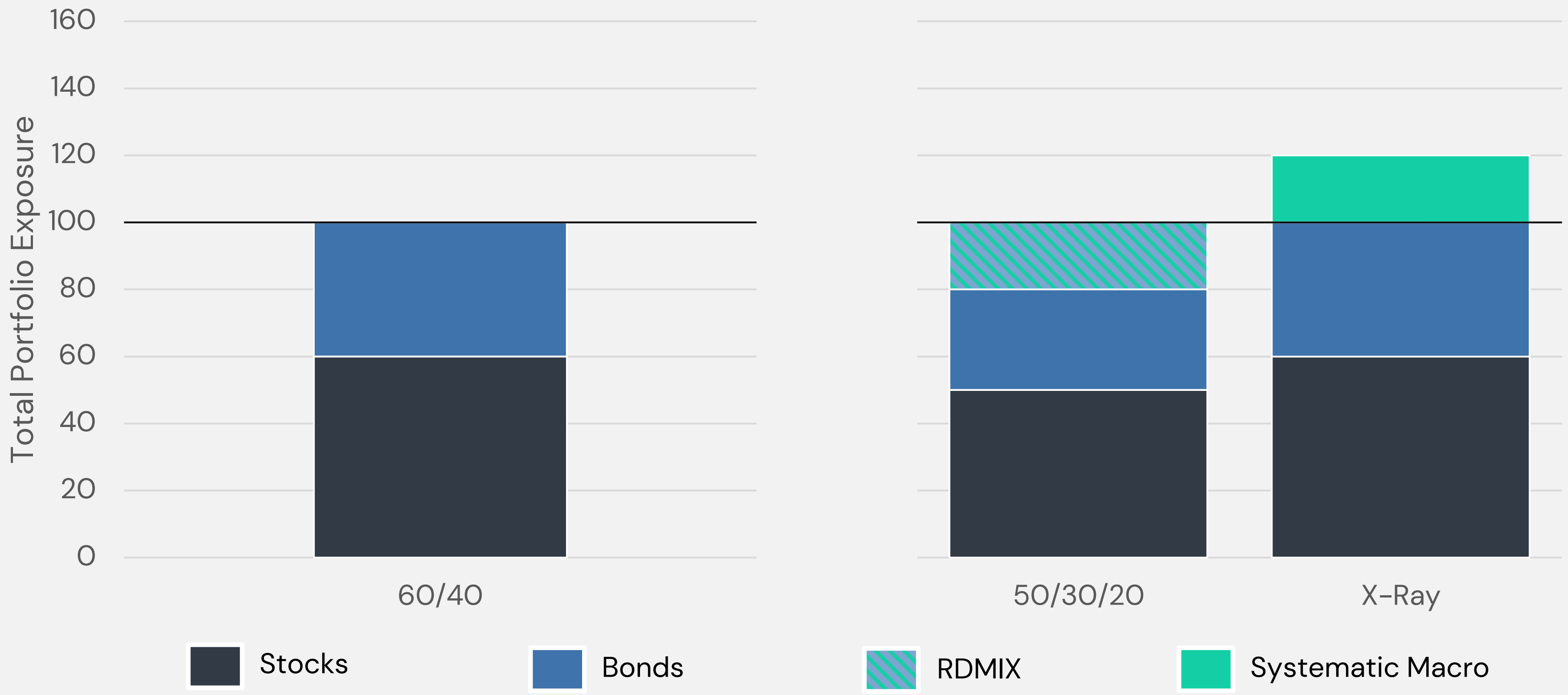
**Forex**
8 Markets: USD Pairs

**Volatility**
2 Markets: U.S. & Europe

*See Appendix for a full list of the contracts traded by the Fund

# RDMIX – A Capital Efficient Building Block

Replacing core U.S. equity and fixed income exposure with RDMIX allows investors to introduce systematic macro as an overlay to their strategic portfolio. The size of the allocation determines the size of the overlay.




*For illustrative purposes only. 60/40 is 60% Stocks / 40% Bonds. 50/30/20 is 50% Stocks / 30% Bonds / 20% RDMIX. Capital efficiency refers to the ability for an investment to provide exposure to a particular asset class or strategy while using fewer assets. The composition of RDMIX is illustrative of the Fund's target allocation. Stocks are any equity exposure. Bonds are broad-based U.S. fixed income (individual securities or ETFs) and/or Treasury futures.*

*"X-Ray" refers to the actual exposures the 50/30/20 portfolio has when the 20% portion is invested in RDMIX. Starting with a 60/40 portfolio and selling 10% from stocks and 10% from bonds to buy 20% of RDMIX, the portfolio will return to the original stock and bond exposures PLUS a 20% exposure to a systematic macro strategy.*

# RDMIX – Review

**Objective:** Long-term capital appreciation.

**Strategy:** For every $1 invested, the Fund seeks to provide $1 of exposure to its Balanced Allocation Strategy and $1 of exposure to its Systematic Macro Strategy.

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**Balanced Allocation Strategy:** Seeks to provide exposure to target a mix of approximately 50% U.S. equities and 50% U.S. bonds.

**Systematic Macro Strategy:** Invests long and short across equities, bonds, currencies and commodities using a variety of quantitative investment signals.

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**Rebalance Frequency:** Daily

**Distribution Frequency**: Annual

*Distributions are not guaranteed*

# Glossary

**Alpha** is a term used in investing to describe an investment strategy's ability to beat the market, or its "edge."

**Alternative** investments are financial assets that do not fall into one of the conventional investment categories.

**Bespoke Signal** refers to a distinct signal inherent to a specific market and market pattern.

**Beta** is a measure of the volatility – or systematic risk – of a security or portfolio compared to the market as a whole (usually the S&P 500).

**Bloomberg US Aggregate Bond Index** covers the broad U.S. investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

**Bloomberg Short Treasury US Total Return Index** tracks the market for treasury bills issued by the U.S. government with time to maturity between 1 and 3 months.

**Bloomberg US Treasury Total Return Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

**Capital Efficiency** refers to the ability for an investment to provide exposure to a particular asset class or strategy while using fewer assets.

**Commodity** refers to a basic good used in commerce that is interchangeable with other commodities of the same type. Investors and traders can buy and sell commodities directly in the spot (cash) market or via derivatives such as futures and options.

# Glossary (Continued)

**Currencies** refers to the generally accepted forms of payment usually issued by governments and circulated within their jurisdiction. Investors can trade almost any currency in the world.

**Diversification** is a risk management strategy that creates a mix of various investments within a portfolio.

**Futures Contract** refers to a contract used to buy or sell a specific underlying asset at a future date.

**Managed Futures** refers to a portfolio of futures contracts that is actively managed by professionals.

**PivotalPath GlobalMacro: Quantitative Index** is a benchmark that tracks the performance of hedge funds employing quantitative strategies within the global macro investment space.

**S&P 500 Index** is an abbreviation for the Standard & Poor's 500, a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S.

**S&P 500 Index Total Return** is an abbreviation for the Standard & Poor's 500, a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S that also includes dividend gains.

**Société Générale Trend Index** is designed to track the largest trend following commodity trading advisors ("CTAs") in the managed futures space net of underlying fees. The index does not represent the entire universe of all CTAs.  Actual rates of return may be significantly different and more volatile than those of the index.

**U.S. Treasuries** are one of the safest investments as they are backed by the full faith and credit of the U.S. government. They are divided into three primary categories: Treasury Bills, Treasury Bonds, and Treasury Notes.

# PivotalPath Disclosures

The PivotalPath index/indices used in this information is/are produced by the hedge fund research and investment consultancy firm, PivotalPath Inc. The information is representative of the overall composition of the hedge fund universe, as well as specific sub-strategies, including but not limited to the PivotalPath Hedge Fund Composite Index; the PivotalPath Credit Index (and associated sub-indices); the PivotalPath Equity Diversified Index (and associated sub-indices); the PivotalPath Equity Sector Index (and associated sub-indices); the PivotalPath Event Driven Index (and associated sub-indices); the PivotalPath Global Macro Index (and associated sub-indices); the PivotalPath Managed Futures Index; the PivotalPath Multi-Strategy Index; PivotalPath Equity Quant Index; and the PivotalPath Volatility Index. PivotalPath Indices are the proprietary product of PivotalPath Inc. They represent Hedge Fund Indices based on collected data from individual hedge funds and while PivotalPath considers the sources of such information and data to be reliable, such information and data has been verified but has not been audited by PivotalPath. No representation is made as to, and no responsibility or liability is accepted for, the accuracy or completeness of such information and data. PivotalPath Index constituents may be removed at any time and any PivotalPath index may be restated, adjusted, or corrected at any time without notice. PivotalPath data is being used under license from PivotalPath, Inc, which does not approve of or endorse any of the products or the contents discussed in these materials.

# Contact Us

www.returnedstackfunds.com
info@investresolve.com

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# Appendix

# Investment Universe

The Systematic Macro strategy trades more than 65 contracts in 8 sectors, worldwide.

## Agriculture

Live Cattle
Cocoa
Coffee
Corn
Cotton #2
Lean Hogs
Palm Oil
Canola Oil
Rubber
Soybean Meal
Soybean Oil
Soybeans
Sugar #11
Wheat
Milling Wheat

## Bonds

Australian Gov't Bonds
Canadian Gov't Bonds
Euro German Bobl
Euro German Bund
Italian Gov't Bonds
Japanese Gov't Bonds
5-Year U.S. T-Note
10-Year U.S. T-Note
U.S. T-Bond

## Energy

Crude Oil (Light Sweet)
Euro Carbon Emissions
Heating Oil #2
London Gas Oil
Gasoline (RBOB)
Kerosene
U.K. Natural Gas
U.S. Natural Gas

## Equities

German DAX
Euro Stoxx 50
FTSE 100
Hang Seng
IBEX 35
KOSPI 200
MIB S&P
Nasdaq 100
Nikkei 225
S&P 500
SPI 200

## Volatility

VIX
VSTOXX

## Rates

Australian Bank Bills
Bankers Acceptance
Eurodollar
Euroyen
Interbank Euribor
Short Sterling

## Metals

Gold
HG Copper
London Nickel
London Zinc
Palladium
Platinum
Silver

## Forex

Australian Dollar
British Pound
Canadian Dollar
Euro
Japanese Yen
Mexican Peso
New Zealand Dollar
Swiss Franc

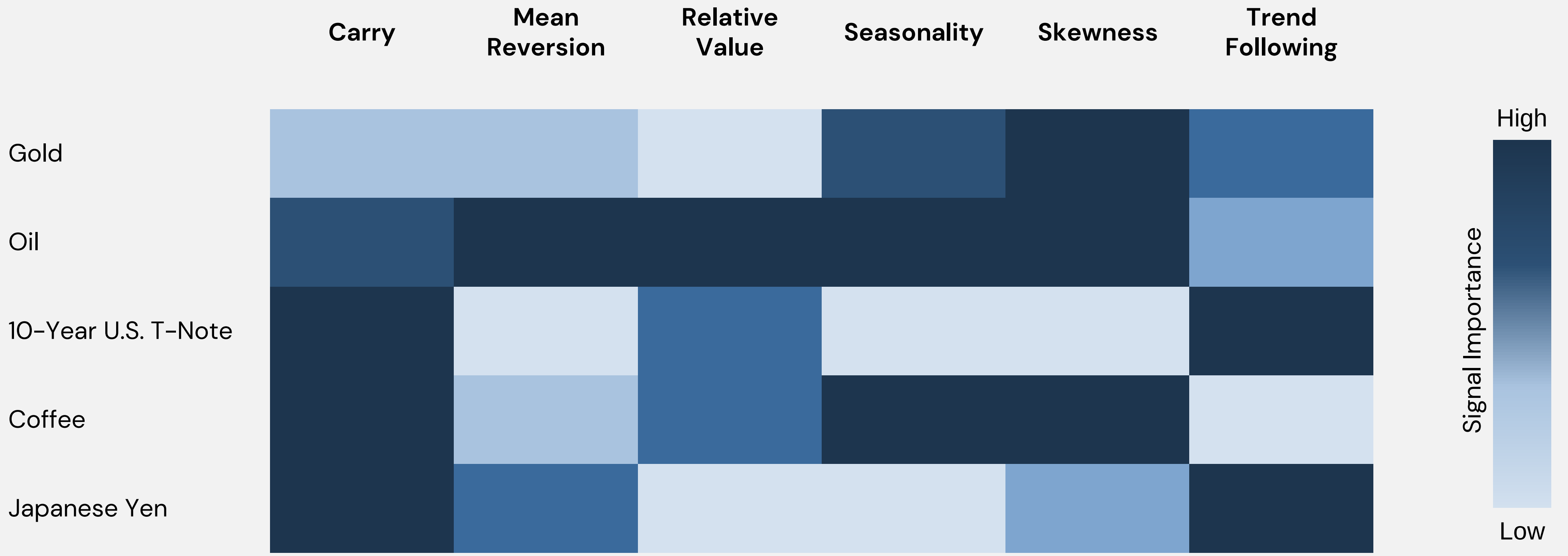
# RDMIX's Systematic Macro Strategy

A focus on diversifying across systematic signals that have historically generated positive long-run returns across a variety of asset classes.

| | |
|---|---|
| **Carry** | The tendency for higher-yielding assets to provide higher returns than lower-yielding assets |
| **Mean Reversion** | The tendency for an asset's recent relative performance to revert in the future |
| **Relative Value** | The tendency for assets priced relatively lower compared to their peers or fundamentals to outperform higher-priced counterparts. |
| **Seasonality** | The tendency for an asset's performance to follow patterns based on the time of year or calendar effects |
| **Skewness** | The tendency for assets with asymmetrically distributed returns to exhibit higher returns as compensation for tail risk |
| **Trend Following** | The tendency for an asset's recent relative performance to continue in the future |

# Bespoke Signal Profiles

Each market has distinct fundamentals and participants, impacting the effectiveness of different systematic signals.  Machine learning models are applied to generate bespoke signal profiles for each market traded.




*For illustrative purposes only.*