LongPoint's Double Leveraged Single Stock ETFs

LongPoint offers double leveraged single stock ETFs under two brand names, ***Savvy*** for proprietary ETFs and ***LFG*** for partnership ETFs with Universal Digital, capitalizing on their expertise with blockchain and crypto-currencies. These ETFs offer the potential for amplified daily returns compared to traditional stock holdings and are designed for active Canadian investors seeking 2X exposure to attractive U.S. mega-cap stocks.

> **Double Leveraged Single Stock ETFs provide 2X the daily investment results of the underlying stock.**

AAPU	SavvyLong (2X) AAPL ETF
ALPU	SavvyLong (2X) GOOGL ETF
AMZU	SavvyLong (2X) AMZN ETF
MSFU	SavvyLong (2X) MSFT ETF
NVDU	SavvyLong (2X) NVDA ETF
TSLU	SavvyLong (2X) TSLA ETF
MSTU	LFG Daily (2X) MSTR Long ETF
COIU	LFG Daily (2X) COIN Long ETF

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Why did LongPoint select these recognizable stocks?

Apple Inc. ("AAPL"): Apple is recognized for its innovation in consumer technology and powerful hardware, software, and ecosystem integration. Apple has a 5-year rolling 30-day volatility of 27% as of March 31, 2025.[1]

Alphabet Inc. ("GOOGL"): Google is recognized for its leadership in internet search, digital advertising, and innovations in artificial intelligence and cloud technology. Google has a 5-year rolling 30-day volatility of 30% as of March 31, 2025.[1]

Amazon.com, Inc. ("AMZN"): Amazon is recognized for its global leadership in e-commerce, cloud computing, and digital infrastructure services. Amazon has a 5-year rolling 30-day volatility of 33% as of March 31, 2025.[1]

Microsoft, Corp. ("MSFT"): Microsoft is recognized for its global impact in software development, cloud computing, and enterprise solutions across productivity, security, and AI. Microsoft has a 5-year rolling 30-day volatility of 26% as of March 31, 2025.[1]

NVIDIA, Corp. ("NVDA"): NVIDIA is recognized for its pioneering role in accelerated computing, AI infrastructure, and advanced graphics technologies. NVIDIA has a 5-year rolling 30-day volatility of 50% as of March 31, 2025.[1]

Tesla, Inc. ("TSLA"): Tesla is recognized for its innovative leadership in electric vehicles, energy solutions, and autonomous technologies. Tesla has a 5-year rolling 30-day volatility of 60% as of March 31, 2025.[1]

MicroStrategy Incorporated Class A ("MSTR"): Strategy is known for its enterprise analytics platform and pioneering work in business intelligence and large-scale Bitcoin adoption. Strategy has a 4-year rolling 30-day volatility of 90% as of April 30, 2025.[1]

Coinbase Global Inc. Class A ("COIN"): Coinbase is recognized for its secure and user-friendly platform that enables individuals and institutions to buy, sell, and manage cryptocurrencies. Coinbase has a 4-year rolling 30-day volatility of 84% as of April 30, 2025.[1]

What is a Geared ETF (or Leveraged ETF)?

Geared ETF means the same thing as *Leveraged ETF*, where the objective of the ETF is to use borrowing and derivatives to increase the exposure to the underlying target. Leverage, as an investment opportunity, is highly speculative in that it allows the investor to gain additional exposure to a target beyond their invested capital. Traditionally, investors had to borrow money through a margin account, secure an investment loan, or use futures to gain exposure beyond their initial capital.

With a *Double Leveraged Single Stock ETF*, borrowing and derivatives activity occur within the fund, eliminating investor concerns about margin calls or managing loans. These ETFs provide a convenient way for investors to target daily returns, with losses capped at the invested principal.

LongPoint ETFs offers 2X exposure with the Double Single Stock ETFs and 3X exposure with the Mega Index ETFs.

What is inverse exposure?

Inverse exposure is designed to produce positive returns when the daily underlying stock return is negative and negative returns when the daily underlying stock return is positive. Inverse leveraged ETFs amplify the daily underlying stock returns in the same opposite direction.

Why do the Double Leveraged Single Stock ETFs use daily exposure?

Daily exposure allows investors to know the leverage ratio when trading the ETFs. This informs investors that the ETF seeks 2X the daily performance of its underlying stock.

What are the effects of volatility?

If you hold leveraged and inverse leveraged ETFs for more than one day, your return could vary considerably from the ETF's daily target return. The negative effect of compounding on returns is more pronounced when combined with leverage and daily rebalancing in volatile markets.

Leveraged ETFs decay due to the compounding effect of daily returns, also known as "volatility drag." The compounding effect of daily returns means that losses are magnified over time. If the underlying asset experiences high volatility, the volatility drag will be more significant, resulting in higher losses for the leveraged ETF over time.

Pros and cons of 2X Leveraged ETFs

Advantages:

- Potential for amplified daily returns compared to traditional exposures
- More convenient than investment loans or trading futures, as they eliminate margin calls and ensure you can't lose more than your initial investment
- Liquid and easy to trade on the stock exchange, just like other ETFs or stocks

Drawbacks:

- Possibility of significant losses, including the complete loss of your investment
- Extensive daily monitoring and active management is needed
- Not intended as long-term holdings

How do leveraged ETFs perform?

Daily rebalancing has important implications for the performance of an ETF for periods longer than a day.

For leveraged long ETFs, increases in the underlying stock push the daily leveraged ETFs net assets higher, which means an increase in exposure by a multiple of the gain in its net assets. Decreases in the underlying stock lead to a decline in net assets, which results in a reduction of exposure in an amount which is a multiple of the decline in the net assets.

This means that a daily leveraged long ETF responds to gains by becoming more aggressive and responds to losses by becoming more defensive.

1. Upward-trending Markets

If the underlying stock trends upward over several days, the leveraged long ETF's gains can exceed the cumulative underlying stock return multiplied by the ETF's target multiple. As the ETFs net assets rise with the favorable market return, the ETF increases its exposure to the underlying stock, which increases the impact of following returns.

Day	0	1	2	3	4	5
Stock Value	100	103	106	109	112	115
Stock Daily Return (%)		3.00	2.91	2.83	2.75	2.68
Stock Cumulative Return (%)		3.00	6.00	9.00	12.00	15.00
Stock Cumulative Return 2X (%)		6.00	12.00	18.00	24.00	**30.00**
2X ETF Daily Return (%)		6.00	5.82	5.66	5.50	5.36
Fund NAV	25.00	26.50	28.04	29.63	31.26	32.93
Actual Cumulative Return (%)		6.00	12.17	18.52	25.04	**31.74**

No fees or expenses are factored into the table above

2. Downward-trending Markets

If the underlying stock trends downward over several days, the leveraged long ETF's loss may be smaller than the cumulative underlying stock return multiplied by the ETF's target multiple. As the ETFs net assets fall with the unfavorable market return, the ETF decreases its exposure to the underlying stock, which decreases the impact of following returns.

Day	0	1	2	3	4	5
Stock Value	100	97	94	91	88	85
Stock Daily Return (%)		(3.00)	(3.09)	(3.19)	(3.30)	(3.41)
Stock Cumulative Return (%)		(3.00)	(6.00)	(9.00)	(12.00)	(15.00)
Stock Cumulative Return 2X (%)		(6.00)	(12.00)	(18.00)	(24.00)	**(30.00)**
2X ETF Daily Return (%)		(6.00)	(6.18)	(6.38)	(6.60)	(6.82)
Fund NAV	25.00	23.50	22.05	20.64	19.28	17.96
Actual Cumulative Return (%)		(6.00)	(11.81)	(17.44)	(22.89)	**(28.14)**

No fees or expenses are factored into the table above

3. Volatile Markets

In volatile markets with no clear trend, the impact of daily rebalancing can be harmful to the performance of leveraged ETFs over time. A continued pattern of this sort will typically reduce the longer term returns of the ETF.

Over longer periods of time, especially when markets experience significant market volatility, results can vary. The underlying stock's path over longer periods may impact the ETF's return as much as the underlying stock's cumulative return As a result, even if the underlying stock shows a positive return, a leveraged ETF could still experience a negative return due to the pattern of daily returns that take place during the period.

Day	0	1	2	3	4	5
Stock Value	100	97	100	103	97	100
Stock Daily Return (%)		(3.00)	3.09	3.00	(5.83)	3.09
Stock Cumulative Return (%)		(3.00)	0.00	3.00	(3.00)	0.00
Stock Cumulative Return 2X (%)		(6.00)	0.00	6.00	(6.00)	**0.00**
2X ETF Daily Return (%)		(6.00)	6.18	6.00	(11.66)	6.18
Fund NAV	25.00	23.50	24.95	26.45	23.37	24.81
Actual Cumulative Return (%)		(6.00)	(0.19)	5.80	(6.54)	**(0.76)**

No fees or expenses are factored into the table above

Who are the intended investors?

Leveraged ETFs are designed for active investors with strong market convictions and short-term views. These ETFs are meant for daily or short-term trading strategies by sophisticated investors who are knowledgeable and actively manage their investments. They are not suitable for those who do not intend to monitor their positions closely.

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[1] Bloomberg as of March 31, 2025 or April 30, 2025

The ETFs are highly speculative and use a significant amount of leverage which magnifies gains and losses. The ETFs are intended for use in daily or short-term trading strategies by very knowledgeable, sophisticated investors. For example, you could lose your entire investment in one day if the underlying stock of the ETF experiences a single-day price movement that is greater than 50%. In addition, if you hold the ETFs for more than one day, your return could vary considerably from the ETF's daily target return. The negative effect of compounding on returns is more pronounced when combined with leverage and daily rebalancing in volatile markets. The ETFs are not suitable for investors who do not intend to actively monitor and manage their investments. In addition, the ETFs are concentrated and non-diversified, meaning they are only exposed to a single common stock. As a result, the ETF's assets are more susceptible to the impact of any specific company event, or single economic, technological, or regulatory event, compared to a diversified portfolio.

Commissions, management fees, and expenses all may be associated with investment funds. Investment objectives, risks, fees, expenses, and other important information are contained in the prospectus; please read it before investing. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. LongPoint ETFs are managed by LongPoint Asset Management Inc. and are available across Canada through registered dealers.

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All investment funds, including those that seek to track an index are subject to risk, including the possible loss of principal. Diversification does not ensure a profit or protect against a loss in a declining market. While the LongPoint ETFs are designed to be as diversified as the original indices they seek to track and can provide greater diversification than an individual investor may achieve independently, any given ETF may not be a diversified investment.

All monetary figures are expressed in Canadian dollars unless otherwise noted.

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