

All About Autocallables

The Autocall Feature, Explained

TrueShares S&P Autocallable Income ETFs

Understanding the Autocall Trigger

One of the defining features of an autocallable is its ability to end early — a mechanism known as the autocall feature. This feature allows investors to potentially receive their principal back sooner than maturity, often alongside a final income payment.

The Basic Idea Behind the Autocall Feature

An autocallable is designed to monitor the performance of a reference index on scheduled observation dates. After an initial non-call period, the investment can be automatically redeemed early if certain conditions are met.

What is the Autocall Trigger?

The autocall trigger is a predefined level — typically set at 100% of the reference index's initial value — that determines whether the autocall event occurs.

Here's how it works:

- If, on an observation date, the reference index is at or above the autocall trigger, the note is autocalled.
- When autocalled, the investor receives:
 - Their full principal back
 - A final coupon payment
- The investment then ends, regardless of how much time remains until maturity, allowing for a new autocallable to be issued.

Why the Autocall Feature Matters

- It allows investors to recycle capital sooner.
- It can enhance returns in flat or rising markets.
- It reduces long-term market exposure once the trigger is met.

In strong or sideways markets, the autocall feature can result in shorter holding periods while still delivering attractive income.

Learn How PAYH and PAYM Make Investing In Autocallables Easier

Visit true-shares.com/autocallable-income-etfs

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

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The investment objective of TrueShares S&P Autocallable High Income ETF (the "Fund") is to generate high monthly income while reducing downside risk. The investment objective of TrueShares S&P Autocallable Defensive Income ETF (the "Fund") is to generate moderate monthly income while reducing downside risk.

These products employ a complex investment strategy involving derivatives and structured-product like payout profiles and may not be suitable for all investors. The tax treatment of derivatives and structured-outcome strategies may be complex. Investors should consult a tax advisor regarding their individual circumstances.

The funds seek high income, but predictable income is not a guarantee and actual income may decline in certain market conditions. A decline in the index or failure to meet certain performance thresholds may reduce or eliminate monthly income. There is no assurance that the Funds' investment strategy, including their use of derivatives, contingent downside features, or income-generation techniques, will be successful. The strategy may not achieve its objectives, may not perform as expected in different market environments, and could result in investment losses. The funds are new with no operating history.

An investment in TrueShares S&P Autocallable High Income ETF and TrueShares S&P Autocallable Defensive Income ETF is subject to numerous risks, including possible loss of principal. The ETF is subject to the following principal risks: Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk associated with ETFs; Equity Market Risk; Management Risk; Market Capitalization Risk; Market Risk; New Fund Risk. A full description of risks is in the prospectus.

TrueShares S&P Autocallable High Income ETF and TrueShares S&P Autocallable Defensive Income ETF is also subject to the following risks:

Coupon payment risk: Coupon payment risk refers to the danger that the issuer of a bond may default on its interest payments (credit risk) or that the investor will not be able to reinvest those payments at a favorable rate (reinvestment risk). This risk is present with any fixed-income security that makes regular coupon payments.

Autocall barrier risk: Autocall barrier risk is the possibility of losing money on an autocallable financial product because the underlying asset's value falls below a specified barrier level.

Maturity barrier risk: If the Underlying Reference Index falls below the Maturity Barrier at the maturity of an Autocall in the Portfolio, that portion of the Portfolio will be fully exposed to the negative performance of the Underlying Reference Index from its initial level. This conditional protection creates a binary outcome that can result in sudden, significant losses if barriers are breached.

Derivatives and swap counterparty risk: Counterparty risk is the risk that one party in a derivative contract, such as an interest rate or currency swap, will default on its obligations. This means the other party could face a financial loss because the defaulting counterparty fails to make a required payment. The risk is particularly high for over-the-counter (OTC) derivatives like swaps, which are negotiated directly between two parties and are not traded on an exchange.

Reference index risk: a reference index risk is the risk that an asset's return will deviate from a benchmark index, or the risk associated with instruments like index options, which are used for trading and hedging against index movements.

Equity market risk: Equity market risk is the possibility of losing money in stock investments due to fluctuations in the overall stock market. This risk stems from factors like economic conditions, geopolitical events, and industry trends that cause market-wide price changes, affecting both individual stocks and entire portfolios.

FLEX options risk: The Fund may invest in FLEX Options issued and guaranteed for settlement by the OCC. The Fund bears the risk that the OCC will be unable or unwilling to perform its obligations under the FLEX Options contracts. Additionally, FLEX Options may be illiquid, and in such cases, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. As the options the Fund invests in derive their performance from the S&P 500 Price Index, the Fund is subject to the equity market risk associated with the index. The ETF's portfolio is more volatile than broad market averages.

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