MORGAN CREEK CAPITAL MANAGEMENT
exos

ACTIVE SPAC ARBITRAGE ETF

NYSE Ticker: CSH

January 2022

DEFINITIONS

SPAC	• Special Purpose Acquisition Company – commonly referred to as blank check company. A blank check company is a development stage company that has no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with an unidentified company or companies, other entity, or person.
Pre-Combination SPAC	• A SPAC prior to the closing of a business combination, where the investor has the right to redeem for a share of the underlying T-bill or equivalent collateral held in trust.
Options	• Options are contracts giving the purchaser the right – but not the obligation -- to buy or sell a security at a fixed price within a specific period of time.
Strike Price	• A set price at which a derivative contract can be bought or sold when it is exercised.
Warrants	• A derivative that give the right, but not the obligation, to buy or sell a security—most commonly an equity—at a certain price before expiration. The price at which the underlying security can be bought or sold is referred to as the exercise price or strike price.
Worst-case scenario	• An investor receives its pro-rata share of the underlying T-bill collateral if the sponsor does not bring a company public by the maturity date.
Medium case scenario	• The sponsor brings a company public but the common does not trade above trust value. The investor redeems for its share of the underlying T-bill collateral and sells the warrants and/or rights which generates additional return.
Best case scenario	• The sponsor brings a company public which is well received and so the common trades above trust value. The investor will sell its shares in as well as the warrants and/or rights to earn even more return.

FUND OBJECTIVE

CSH seeks to *capitalize on the nature of SPACs* to…

preserve capital and provide incremental total return,

by protecting downside through the ability to put SPAC shares back for their underlying portion of T-bills or equivalents held in trust.

while monetizing equity options embedded in the securities.

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TODAY'S INVESTING CHALLENGE

- Short duration, risk-free assets generally return 0% to negative throughout the world.
- This has generally increased risk levels per unit of return in investor portfolios.
- Importantly, investors are accepting significant tail risk in return for marginal incremental return.

Equity + Fixed Income + Risk ≠ Historical Risk/Return

To hedge the worst-case scenarios, do investors accept low or negative returns?

In order to generate some return, do they accept the potential for significant losses in the worst-case scenarios?

Liquidity Risk

Junk Bonds (Credit Risk)

Increased Equity Allocation (Equity Risk)

Duration Risk

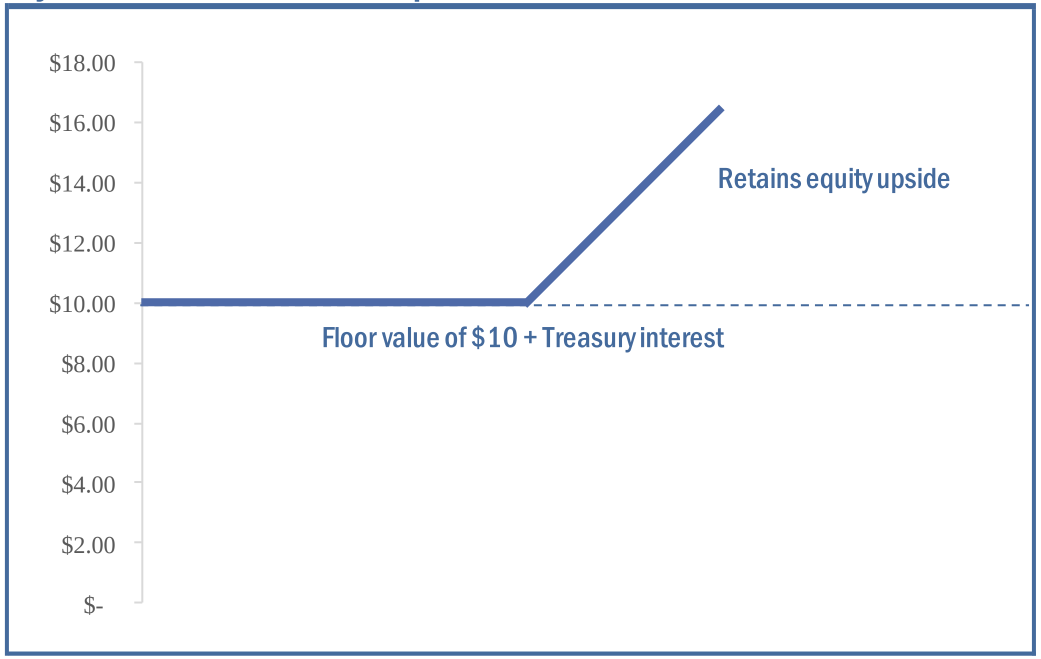
A TOOL TO MEET THIS CHALLENGE

A pre-combination SPAC is a hybrid instrument that has both US T-bill or equivalent collateral held in trust to protect the downside and embedded equity options to provide potential upside.

In the worst-case scenario, you should be able to wait and receive your share of the treasury bill collateral held in trust plus interest.

On the upside, you own an equity call on the deal with a strike price equal to the trust value as well as, in most cases, 5-year warrants struck at $11.50 which can add return even in moderate cases.

Synthetic Protective Put Option



For Illustrative Purposes Only. This is a depiction of collateral held in trust, which doesn't reflect the common share price.

WITH THE POTENTIAL FOR EQUITY UPSIDE

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- The risk in a SPAC changes depending on where its price is relative to the underlying collateral.
- Once a SPAC closes a business combination, you lose the underlying treasury bill protection.
- Redemptions and deal closings are time-intensive and require expertise and understanding of the product.
- We believe the underlying treasury collateral and embedded option value offer a large opportunity to add value through active management.

Upside

SPAC Unit at $9

- 11% return to underlying collateral with potential for additional upside returns.

SPAC Unit at $10

- Collateral value protects your investment with potential for upside returns.

SPAC Unit at $11

- It becomes more equity-like since you can lose 10% before you are protected by the value of the collateral, with the potential for upside returns.

This is a hypothetical example and is not an actual investment in the fund.

Downside

CSH - A CREATIVE SOLUTION

CSH is an active strategy designed around the particular qualities of special purpose acquisition companies (SPACs)

- Seeks to deliver a consistent return, an attractive risk profile, and the potential for upside, all while relying on a portfolio of T-bills or other cash-like collateral in trust to protect capital.
- Investments are driven by a very structured framework in every aspect designed to manage downside first and generate upside second.

Our approach provides investors with equity upside potential while protecting principal via the SPAC trust account

- The fund seeks to provide downside protection via the trust proceeds backing each issue we hold while harvesting equity returns resulting from business combinations announced by SPACs in the portfolio.
- We re-calibrate the portfolio in real-time to evaluate each issue versus its underlying collateral as well as versus all other issues.
- We seek to recycle capital from more expensive issues to less expensive issues to reduce risk.
- Our proprietary technology seeks to drive additional returns from bid/ask spreads using algorithmic market making.

Exos has significant experience in the SPAC space, and has built proprietary technology and algorithms that seek to optimize risk/return

- Deep connectivity across the SPAC ecosystem, with access to primary issues, block trades, and secondary flow.
- We believe our proprietary technology gives Exos an edge in secondary market trading activities.
- The Exos team has a deep understanding of the SPAC product.
- Team has managed a hedge fund employing a similar strategy since July 2020.

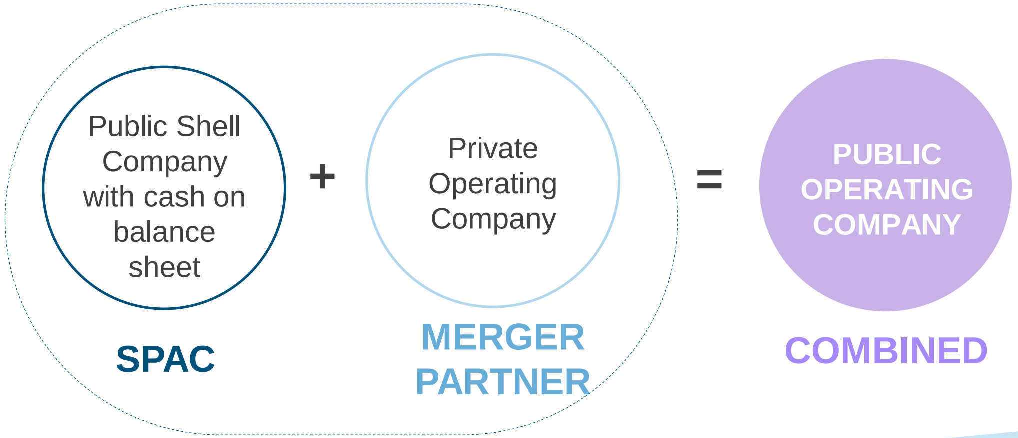
WHAT IS A SPAC?

A Special Purpose Acquisition Company (SPAC) is an investment vehicle that enables a management team to raise capital via an IPO with the purpose of engaging in a business combination with an operating company

- SPAC sponsors pay offering costs, working capital, and underwriting fees, usually a $5M+ investment depending on SPAC size, in exchange for 20% of the post IPO common equity, and out of the money derivatives
- The capital raised in the IPO is placed into an inviolable trust, earns interest, and can only be used to consummate a merger. Sponsors sometimes put additional cash in trust to provide a minimum return to investors.

Investors receive $10.00 units comprised of one common share and typically some additional options (typically a warrant, a fraction of a warrant, or occasionally a right to buy the common stock at a fixed price in the future).

- Investors may sell their shares at any time, redeem for their pro rata share of cash in trust, or "participate" in the business combination
- If a business combination does not occur within a defined time period (typically 12 – 24 months) the SPAC is dissolved, investors receive their pro-rata portion of cash in trust, and the sponsor investment expires worthless



SPAC Unit Component Overview

SPAC Unit $10.00 at IPO

Split into component securities, usually 52 days after IPO

COMMON SHARE

- Convert into common share in new entity or redeemable for pro rata amount of cash in trust
- Investors may sell these on open market or via block trades throughout lifecycle of the SPAC

WARRANT

- Convertible into common shares in new entity at $11.50, have 5-year term and are redeemable at $18.00
- Expire worthless in the event of a SPAC liquidation
- Not included in redemption process – investors can redeem common securities and retain the warrants

RIGHT

- Convert into 1/10 of a common share post-closing
- Historically, more common in non-US focused SPACs
- Today, increasingly rare across all SPACs given highly dilutive nature of the securities

For Illustrative Purposes Only: Information represents a typical SPAC structure.

Potential SPAC Outcomes

Investor buys 100 "units" in a typical IPO consisting of 100 common shares with $10.20 in trust plus 50 warrants struck at $11.50 for $10 each, for a total of $1000.

	Worst case	Middle Case	Best Case
Deal	No deal.	Deal announced but stock doesn't trade above $10.	Deal announced and stock trades at $12 (or higher).
Common	Common Automatically redeemed for share of the T-bills in trust plus interest [100 shares = $1,025]	Voluntarily redeem for share of the T-bills in trust plus interest [100 shares = $1,005]	Sell common shares in market rather than redeem [100 shares = $1,200]
Warrants	Warrants expire worthless [50 warrants = $0]	If stock around $10 warrants with 5y expiry can be worth $1 [50 warrants = $50]	If stock around $12 warrants with 5y expiry can be worth $4 [50 warrants = 200]
Total Return	$1,025 = 2.5% on $1,000 invested in IPO.	$1,055 = 5.5% on $1,000 invested in IPO.	$1,400 = 40% on $1,000 invested in IPO.

CSH Focus

CSH Interaction

THE ROADSHOW & IPO

- Evaluate each management team on their ability to drive "option value"
- Review of offering documents for terms and any fine print.
- Leverage sell-side relationship to receive favorable allocations

THE WAIT

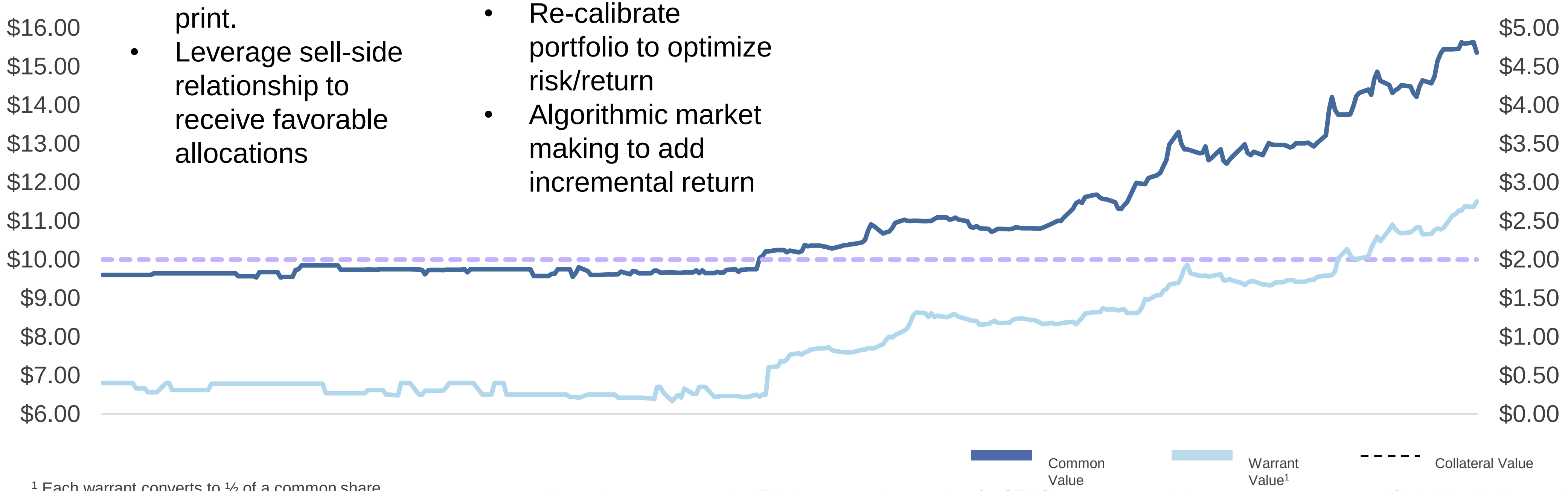
- Buy issues trading at a discount to trust
- Evaluate each issue relative to its underlying collateral value and expected return.
- Re-calibrate portfolio to optimize risk/return
- Algorithmic market making to add incremental return

THE DEAL

- Harvest returns for names trading above trust
- Recycle capital into names trading below trust

POST MERGER

- Monetize any residual warrant positions
- CSH will own **no** common shares



[1] Each warrant converts to ½ of a common share

For Illustrative Purposes Only. This is a general example of a SPAC's structure and does not represent a specific holding in the Fund but is meant to illustrate the typical life cycle of a SPAC and its different investing periods. The above does not attempt to represent hypothetical performance of CSH.

INVESTMENT PROCESS

The investment team meets with each management team before they come public to evaluate their ability to do a deal, do it quickly, and have the deal perform well. They look for characteristics like industry expertise, relationships, and ability to raise capital.

The investment team reviews all public filings to understand the terms of each deal including any “fine print”.

We dynamically re-calibrate the portfolio as risk/return changes. We use a structured framework to compare an estimated return of each issue to its risk to its underlying collateral value, as well as to every other issuer.

We aim to build a diversified portfolio that protects capital first and opportunistically drives return second.

CSH HAS FIVE POTENTIAL DRIVERS OF RETURN

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01

We buy issues at a discount to their collateral value to lock in embedded return.

02

We harvest return on announced deals that trade above trust value.

03

We monetize the value of warrants.

04

We recycle capital from individual SPACs trading above collateral value to those trading at or below collateral value.

05

We algorithmically make markets in our portfolio of SPACs, seeking to earn a bid/offer spread on small lots as we wait.

OUR TEAM: INVESTMENT TEAM

DEWEY TUCKER
Portfolio Manager

Dewey Tucker joined Exos in 2017 and has over 13 years of experience in financial markets. He has a Ph.D. from MIT in Electrical Engineering, specializing in statistical signal processing and probabilistic modeling. He began his career at Knight Capital Group, developing trading strategies for the automated equities market making business. Mr. Tucker later transitioned to managing a variety of proprietary trading strategies at Knight and then KCG, specifically focused on equities, futures, and fixed income market making.

MICHAEL BISSMEYER
Head of Trading

Mr. Bissmeyer joined Exos in June 2019 and is principally responsible for SPAC trading as well as expanding the collateralized funding capabilities for the firm and its clients. After graduating from Villanova University with a Bachelor's Degree in Accounting, Mr. Bissmeyer joined Morgan Stanley's Institutional Infrastructure program as an Analyst in 2000. Transitioning to a sales role in 2004, Mr. Bissmeyer spent the next 15 years working to increase wallet share and find funding solutions for some of the world's largest hedge funds and asset managers while working for Countrywide Securities, Bank of America, RBS, RBC and UBS.

PHILIPPE HATSTADT
Head of Risk

Philippe joined Exos in 2019 and serves as Chief Risk Officer. He is an innovative executive with extensive expertise in trading, risk management and structuring of cash, derivatives and securitized products across fixed-income, credit and equities at leading investment banks. As a trading desk head, he has been a pioneer in the development of various derivative and financing products. Additionally, Philippe was a key contributor to the optimization of balance sheet usage, funding, liquidity management and stress testing for his division.

OUR TEAM: SENIOR EXOS SUPPORT

BRADY DOUGAN | Chairman and CEO

Brady is a 47-year financial industry veteran who has in his career managed virtually every function in the Investment Banking business, culminating in serving as the Global CEO of Credit Suisse for 9 years. His experience has included running capital markets businesses, sales and trading businesses, and corporate finance advisory businesses. He has a consistent record of product and market innovation. Brady has been very involved on a hands on basis in many of the innovations which Exos is developing and bringing to the SPAC market.

PETER EARLY | Partner and Head of Business Development

Peter has had an extensive and varied career in the financial world with 20 years experience as a global macro investor. He started at Bankers Trust in 1992, then moved to Tiger Management from 1997, founded Big Sky Capital in 1998, was a senior executive at Wynn Las Vegas from 2006, Guggenheim Partners from 2008, Gaulle Global Macro from 2010. Most recently before joining Exos, Peter was a senior manager at Sofi responsible for capital raising during Sofi's successful run. Peter received a BS in Electrical Engineering and Economics from Yale University.

NEIL RADEY | Chief Counsel

Neil Radey has over 25 years of experience in financial services and served as the General Counsel for multiple divisions and regions of Credit Suisse. He has worked closely with and advised management on a wide range of capital markets, M&A, financing, derivatives, sales and trading and regulatory issues. Neil's background includes extensive experience in analyzing new businesses, transactions and products, and managing litigation, people and processes.

JILL OSTERGAARD | Chief Compliance Officer

Jill Ostergaard has 25 years of financial services regulatory and compliance experience. In 2011, Jill joined Barclays as the Americas Head of Compliance and the CCO of the broker-dealer. During that tenure, she integrated the Wealth Management, Institutional and Credit Card Compliance programs in the Americas. Jill also helped create and implement a multi-year restructuring and redesign of the region's Compliance strategy.

NICK SCHULTZ| Head of Operations

Mr. Schultz is an Operations and Compliance Executive with over 25 years experience in the Financial Services industry. He began his career at Southwest Securities and Brown & Co. before moving to the institutional side of the business in 2001 as Chief Compliance Officer at Direct Trading in Dallas, TX. After Direct Trading was acquired by Knight Capital Group, he helped merge Edgetrade into Knight Direct, then he relocated to New Jersey in 2009. While at Knight he created the client services group in London as Head of Global Algo Trading Support. After more than twelve years with Knight, Mr. Schultz was recruited to be the Chief Operating Officer of Clearpool Execution Services in 2013, in New York City. While at Clearpool, he built the Operations department and was pivotal in opening the Toronto based broker dealer. After six years at Clearpool, Mr. Schultz joined StoneX Financial as Managing Director of Strategic Operations in 2020, where he worked on several systems migration projects. Mr. Schultz is a proud graduate of the University of Arkansas with a BSBA in Finance.

OUR TEAM: SENIOR MORGAN CREEK SUPPORT

MARK YUSKO | CEO & Chief Investment Officer

Mark Yusko founded Morgan Creek Capital Management in 2004 and currently manages close to $2 billion in discretionary and non-discretionary assets. Prior to founding Morgan Creek, Mr. Yusko was CIO and Founder of UNC Management Company (UNCMC), the Endowment investment office for the University of North Carolina at Chapel Hill. Before that, he was Senior Investment Director for the University of Notre Dame Investment Office. Mr. Yusko has been at the forefront of institutional investing throughout his career. An early investor in alternative asset classes at Notre Dame, he brought the Endowment Model of investing to UNC, which contributed to significant performance gains for the Endowment. The Endowment Model is the cornerstone philosophy of Morgan Creek, as is the mandate to Invest in Innovation. Mr. Yusko received a BA with Honors from the University of Notre Dame and an MBA in Accounting and Finance from the University of Chicago.

WILL BACON | Chief Compliance Officer

Will Bacon is the Chief Compliance Officer for Morgan Creek Capital Management, LLC. Prior to joining Morgan Creek, he was Corporate Counsel and Deputy Compliance Officer at IFC Core Investment Management where he oversaw the firm's SEC registration as an investment adviser and monitored all compliance-related policies and procedures. Before IFC, Mr. Bacon held the positions of Senior Compliance Officer at Credit Suisse and Product Director at Hatteras Funds. He previously worked at financial services firms in New York which is where he began his career as an associate in foreign exchanges sales at Deutsche Bank. Mr. Bacon received a Bachelor of Science in Business Administration and a Juris Doctor from the University of North Carolina at Chapel Hill. He currently serves on the Board of Directors of Rosemyr Corporation.

TAYLOR THURMAN, CFA | Chief Operating Officer, Investments

Taylor Thurman joined Morgan Creek in February 2006 and serves as the Chief Operating Officer, Investments. He manages the firm's operational due diligence program, client administration and reporting operations, and product structuring activities. In addition, Mr. Thurman serves as the Chief Compliance Officer of the firm's suite of registered products and is responsible for Board level communications. Prior to joining Morgan Creek, he spent three years at Cambridge Associates, LLC where he led a team focused on client reporting and portfolio analytics for international institutional investment portfolios. He also spent time with Arthur Andersen LLP's audit practice. Mr. Thurman received his BS in Business Administration and Accounting from Washington and Lee University. He is a CFA charterholder and is a member of the CFA Institute and the North Carolina CFA Society.

MICHAEL FORSTL, CIMA | Senior Managing Director Head of Distribution

Prior to joining Morgan Creek, Mr. Forstl was Founder and Principal of Strategic Intro, a distribution development consulting firm that provides advice to asset management organizations in the launch, distribution development, marketing, and training of new and existing product offerings and platforms. Prior to Strategic Intro, Mr. Forstl was at ING Investment Management where he was responsible for the distribution through independent and regional broker dealers of ING's wide array of investment solutions that include mutual funds, separate accounts, offshore funds, closed-end funds, structured products, and sub-advisory services. Prior to ING Investment Management, Mr. Forstl spent 20 years at Nuveen Investments in a number of distribution and product development leadership positions. Mr. Forstl received a BA in Economics from the University of Georgia. Mr. Forstl currently is a member of IMCA's Government Relations Committee and MMI's Alternative Investments Committee.

NICK TAYLOR, CPA | COO & CFO, Management Company

Prior to joining Morgan Creek in 2008, Mr. Taylor worked for over ten years at Wellington Management Company, LLP, one of the largest private institutional asset managers. Nick served as Director of Financial Control and Vice President, where he led the formation and operation of a financial control and risk function. Prior to that, Mr. Taylor formed and managed Wellington Management's International Accounting group, where, as International Controller and Vice President, he was responsible for financial accounting, financial and regulatory reporting. In this role, he worked extensively across the firm to support the financial, operational, regulatory, compliance and tax aspects of the firm's US and international affiliates. Prior to joining Wellington Management, Mr. Taylor worked for four years for PricewaterhouseCoopers in their audit practice in both Boston, Massachusetts and London, England. He received his MS/MBA in Accounting from Northeastern University, and has Bachelor of Arts with honors from the University of East Anglia, UK.

FUND TERMS

FUND	Morgan Creek-Exos Active SPAC Arbitrage ETF (CSH)
LIQUIDITY	Continuous
EXPENSE RATIO	1.25%
DOMICILE	NYSE Listed
CASH CUSTODIAN	U.S. Bank
LEAD MARKET MAKER	Credit Suisse
ADMINISTRATOR	U.S. Bank

DISCLOSURES

Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's prospectus and summary prospectus, which may be obtained visiting the Fund's website https://www.csh-etf.com or calling (855) 857-2677. Read the prospectus carefully before investing.

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Past performance is no guarantee of future results.

FUND RISKS:
The Fund invests in equity securities, warrants and rights of SPACs, which raise funds to seek potential Combination opportunities. Unless and until a Combination is completed, a SPAC generally invests its assets in U.S. government securities, money market securities, and cash. If a Combination that meets the requirements for the SPAC is not completed within a pre-established period of time (e.g., 18-24 months), the invested funds are generally returned to the entity's shareholders (less any applicable taxes, fees, and administrative expenses); however, in certain cases, the SPAC may extend its period of operations beyond the initial pre-established period of time. If this occurs, a fund investing in the SPAC may have difficulty redeeming its holdings, or may not be able to do so at a desirable time. Because SPACs have no operating history or ongoing business other than seeking Combinations, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable Combination. There is no guarantee that the SPACs in which the Fund invests will complete a Combination or that any Combination that is completed will be profitable.

Borrowing magnifies the potential for gain or loss by the Fund and, therefore, increases the possibility of fluctuation in the Fund's NAV. This is the speculative factor known as leverage. Because the Fund's investments will fluctuate in value, while the interest on borrowed amounts may be fixed, the Fund's NAV may tend to increase more as the value of its investments increases, or to decrease more as the value of its investments decreases, during times of borrowing. Unless profits on investments acquired with borrowed funds exceed the costs of borrowing, the use of borrowing will cause the Fund's investment performance to decrease.

Post-Combination SPAC Warrants. Although the Fund generally will not hold the common stock of a Post-Combination SPAC, the Fund may hold warrants to buy the stock of companies that are derived from a SPAC. Post-Combination SPACs may be unseasoned and lack a trading history, a track record of reporting to investors, and widely available research coverage. Post-Combination SPACs are thus often subject to extreme price volatility and speculative trading. The stocks underlying the warrants may have above average price appreciation that may not continue and the performance of these stocks may not replicate the performance exhibited in the past, which could adversely affect the value of the warrants the Fund holds.

Because the Fund is "non-diversified," it may invest a greater percentage of its assets in the securities of a single issuer or a lesser number of issuers than if it was a diversified fund. As a result, a decline in the value of an investment in a single issuer or a small number of issuers could cause the Fund's overall value to decline to a great degree than if the Fund held a more diversified portfolio. The fund is new and has a limited operating history.

Glossary: "Pre-Combination" SPACs are SPACs that are either seeking a target for Combination or have not yet completed a Combination with an identified target. "Post-Combination" SPACs are operating companies that have completed a Combination with a SPAC within the last three calendar years.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

Foreside Fund Services, LLC distributor


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