

**November 26, 2025**  
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# ABSOLUTE

S H A R E S   T R U S T

## **WBI PowerFactor® High Dividend ETF (“WBIY”)**

**Supplement to the Prospectus and Statement of Additional Information (“SAI”), each dated October 31, 2025.**

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Effective December 11, 2025, the shares of WBI PowerFactor® High Dividend ETF (Ticker: WBIY; CUSIP No. 00400R858) (the “Fund”) will be traded on the New York Stock Exchange, LLC. As of December 11, 2025, all references in the Fund’s Prospectus and SAI to “NYSE Arca, Inc.” are replaced with “New York Stock Exchange, LLC”. This supplement replaces in its entirety a supplement dated November 20, 2025.

**Please retain this Supplement with your Prospectus and SAI.  
The date of this Supplement is November 26, 2025.**

# STATEMENT OF ADDITIONAL INFORMATION

## ABSOLUTE SHARES TRUST

Millington Securities, LLC  
331 Newman Springs Road, Suite 143  
Red Bank, New Jersey 07701  
Tel: 732-945-3816  
Website: www.wbietfs.com

**October 31, 2025**

<b><u>Fund Name</u></b>	<b><u>Ticker Symbol</u></b>
<b>WBI BullBear Value 3000 ETF</b>	<b>WBIF</b>
<b>WBI BullBear Yield 3000 ETF</b>	<b>WBIG</b>
<b>WBI BullBear Quality 3000 ETF</b>	<b>WBIL</b>
<b>WBI Power Factor® High Dividend ETF</b>	<b>WBIY</b>
<b>WBI BullBear Trend Switch US 1000 ETF</b>	<b>WBIK</b>
<b>WBI BullBear Trend Switch US 2000 ETF</b>	<b>WBIM</b>
<b>WBI BullBear Trend Switch US 1000 Total Return ETF</b>	<b>WBIQ</b>
<b>WBI BullBear Trend Switch US 2000 Total Return ETF</b>	<b>WBIS</b>

**Listed on the NYSE Arca, Inc.**

This Statement of Additional Information (this “SAI”) is not a prospectus. It should be read in conjunction with and is incorporated by reference into the prospectus dated October 31, 2025, (the “Prospectus”) for the Absolute Shares Trust (“Trust”), relating to the funds (each, a “Fund” and, collectively, the “Funds”) set forth in the table above, as it may be revised from time to time. A copy of the Prospectus for the Trust, relating to the Funds, may be obtained without charge by writing to the Trust, c/o Vigilant Distributors, LLC, Gateway Corporate Center, 223 Wilmington West Chester Pike, Suite 216, Chadds Ford, PA 19317, by calling (855) WBI-ETFS or (855) 924-3837, or by visiting the Trust’s website at www.wbietfs.com.

Capitalized terms used but not defined herein have the same meaning as in the Prospectus, unless otherwise noted.

No person has been authorized to give any information or to make any representations other than those contained in this SAI and the Prospectus and, if given or made, such information or representations may not be relied upon as having been authorized by the Trust.

The SAI does not constitute an offer to sell securities.

The Funds’ audited financial statements for the most recent fiscal year are incorporated in this SAI by reference to the Funds’ most recent [Annual Report to Shareholders](#) (File No. 811-22917). You may obtain a copy of each Fund’s Annual Report at no charge by request to the Fund at the address or phone number, or website noted above.

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## GENERAL DESCRIPTION OF THE TRUST AND THE FUNDS

The Trust was organized as a Delaware statutory trust on November 7, 2013 and is authorized to have multiple segregated series or investment portfolios. The Trust is an open-end management investment company registered under the Investment Company Act of 1940 (“**1940 Act**”). The Trust currently consists of eight separate investment portfolios.

This SAI addresses the following investment portfolios of the Trust (each, a “**Fund**” and together, the “**Funds**”): WBI BullBear Value 3000 ETF; WBI BullBear Yield 3000 ETF; WBI BullBear Quality 3000 ETF; WBI BullBear Trend Switch US 1000 ETF; WBI BullBear Trend Switch US 2000 ETF; WBI BullBear Trend Switch US 1000 Total Return ETF; and WBI BullBear Trend Switch US 2000 Total Return ETF (collectively, the “**Active Funds**”); and WBI Power Factor® High Dividend ETF (the “**Index Fund**”).

The WBI BullBear Trend Switch US 1000 ETF, WBI BullBear Trend Switch US 2000 ETF, WBI BullBear Trend Switch US 1000 Total Return ETF, and WBI BullBear Trend Switch US 2000 Total Return ETF are referred to in this SAI as the “**Trend Switch Funds.**”

The WBI BullBear Trend Switch US 1000 ETF, WBI BullBear Trend Switch US 2000 ETF, WBI BullBear Trend Switch US 1000 Total Return ETF, and WBI BullBear Trend Switch US 2000 Total Return ETF (collectively, the “**Future Funds**”) had not yet commenced operations as of June 30, 2025.

Each Fund is deemed to be diversified for the purposes of the 1940 Act.

Other portfolios may be added to the Trust in the future. The shares of the Funds are referred to herein as “**Fund Shares**” or “**Shares.**” The offering of Shares is registered under the Securities Act of 1933, as amended (“**Securities Act**”).

The Funds’ investment advisor, Millington Securities, LLC (“**Advisor**”), has selected its affiliate WBI Investments, LLC (“**Sub-Advisor**”) to act as investment sub-advisor. Both the Advisor and the Sub-Advisor are registered as investment advisors with the Securities and Exchange Commission (“**SEC**”).

The Shares of the Funds trade on the NYSE Arca (the “**Exchange**”). Shares will trade on the Exchange at market prices that may be below, at, or above the net asset value (“**NAV**”) of the Shares.

The Funds offer and issue Shares at NAV only in aggregations of a specified number of Shares (each, a “**Creation Unit**” or a “**Creation Unit Aggregation**”), generally in exchange for a basket of “in-kind” securities specified by the Sub-Advisor (“**Deposit Securities**”), together with the deposit of a specified cash payment (“**Cash Component**”). Shares are redeemable only in Creation Unit Aggregations and, generally, in exchange for Deposit Securities and a Cash Component. The Creation Unit aggregations for each Fund are shown in the table below.

<b>Fund</b>	<b>Creation Unit Aggregation</b>
WBI BullBear Value 3000 ETF	10,000
WBI BullBear Yield 3000 ETF	10,000
WBI BullBear Quality 3000 ETF	10,000
WBI Power Factor <sup>®</sup> High Dividend ETF	10,000
WBI BullBear Trend Switch US 1000 ETF +	10,000
WBI BullBear Trend Switch US 2000 ETF +	10,000
WBI BullBear Trend Switch US 1000 Total Return ETF +	10,000
WBI BullBear Trend Switch US 2000 Total Return ETF +	10,000

+ The Fund had not yet commenced operations as of June 30, 2025.

In the event of the liquidation of a Fund, the Trust may lower the number of Shares in a Creation Unit.

The Funds presently create and redeem Shares “in-kind.” The Trust reserves the right to offer a “cash” option for creations and redemptions of Shares. When, in the sole discretion of the Trust, the Advisor, or the Sub-Advisor, cash purchases of Creation Unit Aggregations of Shares as available or specified for a Fund, such purchases shall be effected in essentially the same manner as in-kind purchases thereof. In the case of a cash purchase, the Authorized Participant must pay the cash equivalent of the Deposit Securities it would otherwise be required to provide through an in-kind purchase, plus the same Cash Component required to be paid by an in-kind purchaser. In addition, to offset brokerage and other costs associated with using cash to purchase the requisite Deposit Securities, the Authorized Participant must pay the Transaction Fees required by a Fund, as applicable. Shares may be issued in advance of the receipt of Deposit Securities subject to various conditions, including a requirement to maintain on deposit with the Trust cash at least equal to 110% of the market value of the missing Deposit Securities. In all cases, such fees will be limited in accordance with the requirements of the SEC applicable to management investment companies offering redeemable securities.

## **EXCHANGE LISTING AND TRADING**

There can be no assurance that the requirements of the Exchange necessary for each Fund to maintain the listing of its Shares will continue to be met. The Exchange will consider the suspension of trading in, and will initiate delisting proceedings of, Shares under any of the following circumstances: (i) if any of the requirements set forth in the Exchange rules are not continuously maintained; (ii) if the Exchange files separate proposals under Section 19(b) of the 1940 Act and any of the statements regarding (a) the description of the applicable Fund, (b) limitations on the applicable Fund’s portfolio holdings or reference assets, (c) dissemination and availability of intraday indicative values, or (d) the applicability of the Exchange listing rules specified in such proposals are not continuously maintained; (iii) if following the initial 12-month period beginning at the commencement of trading of the applicable Fund, there are fewer than 50 beneficial owners of the Shares of such Fund; or (iv) such other event shall occur or condition shall exist that, in the opinion of the Exchange, makes further dealings on such Exchange inadvisable. The Exchange will remove the Shares of a Fund from listing and trading upon termination of such Fund.

The Funds' continued listing on the Exchange or another stock exchange or market system is a condition of the exemptive relief the Funds obtained from the SEC to operate as exchange-traded funds ("**ETFs**"). Any Fund's failure to be so listed would result in the liquidation and closure of the Fund.

As in the case of other stocks traded on the Exchange, brokers' commissions on transactions will be based on negotiated commission rates at customary levels.

The Trust reserves the right to adjust the number of outstanding shares in order to impact the market price range of the Shares to maintain convenient trading ranges for investors. Any adjustments would be accomplished through stock splits or reverse stock splits, which would have no effect on the net assets of each Fund.

## **INVESTMENT OBJECTIVES AND POLICIES**

### **Investment Objectives**

Each Fund has distinct investment objectives and policies. There can be no assurance that a Fund's objective will be achieved.

All investment objectives and investment policies not specifically designated as fundamental may be changed without shareholder approval. Additional information about the Funds, their policies, and the investment instruments they may hold, is provided below.

The Funds' share prices will fluctuate with market, economic and, to the extent applicable, foreign exchange conditions. The Funds should not be relied upon as a complete investment program.

### **Investment Restrictions**

The investment restrictions set forth below have been adopted by the Board of Trustees of the Trust (the "**Board**") as fundamental policies that cannot be changed with respect to a Fund without the affirmative vote of the holders of a "majority of the outstanding voting securities" (as defined in the 1940 Act) of the Fund. The investment objective of each Fund and all other investment policies or practices of the Fund are considered by the Trust not to be fundamental and accordingly may be changed without shareholder approval. For purposes of the 1940 Act, a "majority of the outstanding voting securities" means the lesser of the vote of (i) 67% or more of the Shares of the Fund present at a meeting, if the holders of more than 50% of the outstanding Shares of the Fund are present or represented by proxy, or (ii) more than 50% of the Shares of the Fund.

For purposes of the following limitations, any limitation which involves a maximum percentage shall not be considered violated unless an excess over the percentage occurs immediately after, and is caused by, an acquisition or encumbrance of securities or assets of, or borrowings by, a Fund. With respect to the Funds' fundamental investment restriction on borrowings, asset coverage of at least 300% (as defined in the 1940 Act), inclusive of any amounts borrowed, must be maintained at all times.

As a matter of fundamental policy, the Active Funds may not:

1. With respect to 75% of its total assets, invest more than 5% of its total assets in securities of a single issuer or hold more than 10% of the voting securities of such issuer. (This does not apply to investments in the securities of other investment companies or securities of the U.S. Government, its agencies, or instrumentalities.)
2. Borrow money, except that (i) each Fund may borrow from banks for temporary or emergency (not leveraging) purposes, including the meeting of redemption requests which might otherwise require the untimely disposition of securities, and (ii) each Fund may, to the extent consistent with its investment policies, enter into repurchase agreements, reverse repurchase agreements, and similar investment strategies and techniques. To the extent that it engages in transactions described in (i) and (ii), each Fund will be limited so that no more than 33 1/3% of the value of its total assets (including the amount borrowed) is derived from such transactions. Any borrowings which come to exceed this amount will be reduced in accordance with applicable law.
3. Issue senior securities, as defined in the 1940 Act and the rules, regulations and orders thereunder, except as permitted under the 1940 Act and the rules, regulations and orders thereunder.
4. Engage in the business of underwriting securities, except to the extent that a Fund may be considered an underwriter within the meaning of the Securities Act of 1933 in the disposition of portfolio securities.
5. Invest 25% or more of the market value of its total assets either directly or indirectly through its underlying ETFs, in the equity securities of companies engaged in any one industry, as defined by the Standard Industrial Classification Codes utilized by the Division of Corporation Finance of the SEC. (This does not apply to investments in the securities of other investment companies or securities of the U.S. Government, its agencies, or instrumentalities.)
6. Purchase or sell real estate, which term does not include securities of companies which deal in real estate and/or mortgages or investments secured by real estate, or interests therein, except that a Fund reserves freedom of action to hold and to sell real estate acquired as a result of a Fund's ownership of securities.
7. Purchase or sell physical commodities or contracts relating to physical commodities.
8. Make loans to others. This restriction does not apply to: (i) the purchase of debt obligations in which each Fund may invest consistent with its investment objectives and policies; (ii) repurchase agreements and reverse repurchase agreements; and (iii) loans of its portfolio securities, to the fullest extent permitted under the 1940 Act.

Each Active Fund observes the following policies, which are not deemed fundamental and which may be changed without shareholder vote. Each Active Fund may not:

1. Invest in any issuer for purposes of exercising control or management.
2. Invest in securities of other investment companies, except as permitted under the 1940 Act, the rules promulgated thereunder or pursuant to any applicable exemptive order granted by the SEC.

3. Hold, in the aggregate, more than 15% of its net assets in illiquid investments. An illiquid investment is any investment that the applicable Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment.

As a matter of fundamental policy, the Index Fund may not:

1. With respect to 75% of its total assets, invest more than 5% of its total assets in securities of a single issuer or hold more than 10% of the voting securities of such issuer. (This does not apply to investments in the securities of other investment companies or securities of the U.S. Government, its agencies, or instrumentalities.)
2. Borrow money, except that (1) the Fund may borrow from banks for temporary or emergency (not leveraging) purposes, including the meeting of redemption requests which might otherwise require the untimely disposition of securities, and (2) the Fund may, to the extent consistent with its investment policies, enter into repurchase agreements, reverse repurchase agreements, and similar investment strategies and techniques. To the extent that it engages in transactions described in (1) and (2), the Fund will be limited so that no more than 33 1/3% of the value of its total assets (including the amount borrowed) is derived from such transactions. Any borrowings which come to exceed this amount will be reduced in accordance with applicable law.
3. Issue senior securities, as defined in the 1940 Act and the rules, regulations and orders thereunder, except as permitted under the 1940 Act and the rules, regulations and orders thereunder.
4. Engage in the business of underwriting securities, except to the extent that the Fund may be considered an underwriter within the meaning of the Securities Act of 1933 in the disposition of portfolio securities.
5. Purchase or sell real estate, which term does not include securities of companies which deal in real estate and/or mortgages or investments secured by real estate, or interests therein, except that the Fund reserves freedom of action to hold and to sell real estate acquired as a result of the Fund's ownership of securities.
6. Purchase or sell physical commodities or contracts relating to physical commodities except as permitted under applicable laws, rules and regulations, as such may be interpreted or modified by regulatory authorities having jurisdiction, from time to time.
7. Make loans to others. This restriction does not apply to: (1) the purchase of debt obligations in which the Fund may invest consistent with its investment objectives and policies; (2) repurchase agreements and reverse repurchase agreements; and (3) loans of its portfolio securities, to the fullest extent permitted under the 1940 Act.
8. The Fund may not invest 25% or more of its total assets in the securities of one or more issuers conducting their principal business activities in the same industry. This limitation does not apply to investments in securities issued or guaranteed by the U.S. government, or any non-U.S. government, or their

respective agencies or instrumentalities, or shares of investment companies. However, the Fund may invest more than 25% of its total assets in securities of the same industry to approximately the same extent that the Fund's Underlying Index concentrates in the securities of a particular industry. The Fund will not invest 25% or more of its total assets in any investment company that so concentrates.

With respect to the Index Fund's eighth fundamental policy regarding industry concentration, the Index Fund will determine compliance with its policy on concentration within any one industry without regard to holdings of investment companies in which the Index Fund invests, except for:

1. Investment companies with an announced policy regarding industry concentration, resulting either from requirements under Rule 35d-1 under the 1940 Act or a stated industry concentration policy; or
2. Investment companies that are affiliates of the Fund.

The Index Fund classifies industries based upon the Global Industry Classification System's (GICS) Industry Code level, published by Standard & Poor's. The Index Fund's reliance on this classification is not a fundamental policy of the Index Fund; and, therefore, it can be changed without shareholder approval. This limitation also does not place a limit on investment in issuers domiciled in a single jurisdiction or country. Therefore, investments made for the purpose of obtaining geographic exposure are not part of an industry. Further, this policy does not preclude the Index Fund from focusing its investments in issuers in any sector.

The Index Fund observes the following policies, which are not deemed fundamental and which may be changed without shareholder vote. The Index Fund may not:

1. Invest in any issuer for purposes of exercising control or management.
2. Hold, in the aggregate, more than 15% of its net assets in illiquid securities.

## **INVESTMENT STRATEGIES AND RISKS**

A discussion of the risks associated with an investment in each Fund is contained in the Funds' Prospectus under the headings "Principal Risk Factors," "Description of the Principal Risks of the Funds" and "Additional Risks." The discussion below supplements, and should be read in conjunction with, such sections of the respective Fund's Prospectus.

### **General**

A Fund may make direct investments in equity and fixed income securities and other financial instruments, including but not limited to futures contracts, swap agreements and forward contracts, master limited partnerships, real estate investment trusts, reverse repurchase agreements, and options on securities, indices, and futures contracts (collectively, "**Financial Instruments**"). In addition, a Fund, rather than investing directly in Financial Instruments, may obtain exposure to financial assets by investing indirectly through registered investment companies, including ETFs, exchange-traded vehicles issuing equity securities ("**ETVs**"), and exchange-traded notes ("**ETNs**") (such ETFs, ETVs, and ETNs are referred to collectively as "exchange-traded products" or "**ETPs**"). Investment in each Fund should be made with an understanding that the value of the portfolio of securities held by such Fund may fluctuate in accordance with changes in the financial condition of the issuers of the portfolio securities, the value of common stocks generally and other factors.

**Diversification**

Each Fund is diversified under applicable federal securities laws. This means that as to 75% of its total assets (1) no more than 5% may be invested in the securities of a single issuer, and (2) it may not hold more than 10% of the outstanding voting securities of a single issuer. (This does not apply to investments in the securities of other investment companies or securities of the U.S. Government, its agencies, or instrumentalities.) However, the diversification of a Fund's holdings is measured at the time such Fund purchases a security; if a Fund purchases a security and holds it for a period of time, the security may become a larger percentage of such Fund's total assets due to movements in the financial markets. If the market affects several securities held by a Fund, such Fund may have a greater percentage of its assets invested in securities of fewer issuers. Accordingly, each Fund is subject to the risk that its performance may be hurt disproportionately by the poor performance of relatively few securities despite qualifying as a diversified fund.

**Percentage Limitations**

Whenever an investment policy or limitation states a maximum percentage of each Fund's assets that may be invested in any security or other asset, or sets forth a policy regarding quality standards, such standard or percentage limitation will be determined immediately after and as a result of the Fund's acquisition or sale of such security or other asset. Accordingly, except with respect to borrowing, any subsequent change in values, net assets, or other circumstances will not be considered in determining whether an investment complies with each Fund's investment policies and limitations. In addition, if a bankruptcy or other extraordinary event occurs concerning a particular investment by a Fund, the Fund may receive stock, real estate, or other investments that the Fund would not or could not buy. If this happens, a Fund would sell such investments as soon as practicable while trying to maximize the return to its shareholders.

Although the Fund is limited as to the percentage of its net assets that may be directly invested in certain asset classes, the Fund may obtain investment exposure to such asset classes in excess of such limits by investing indirectly in such asset classes through other investment companies, including other ETFs with exposure to such asset classes. Consequently, investments in such pooled investment vehicles may result in aggregate direct and indirect investment exposure to an asset class in excess of the limit up to which the applicable Fund may invest directly in such assets.

**Market Risk**

Market risk arises mainly from uncertainty about future values of securities and other financial instruments held by the Funds. The Funds could lose money if the value of securities or other assets decline temporarily due to short-term market movements or over a longer period due to prolonged changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer, region, market, industry, sector or asset class. Sharp price declines in securities owned by the Funds, known as flash crash risk, may trigger trading halts, which may result in the Funds' shares trading in the market at an increasingly large discount to NAV during part (or all) of a trading day. Local, regional or global events such as war, acts of terrorism, international trade and tariff disputes, epidemics, pandemics or other public health issues, recessions, or other events could have a significant and protracted impact on the Funds and their investments.

Turbulence in the financial and credit markets and reduced market liquidity may negatively affect issuers, which could have an adverse effect on a Fund. Changes in financial and credit market conditions and interest rates generally do not have the same impact on all types of securities and other financial instruments, the market value of each Fund's shares may fluctuate as a result of the movement of the overall stock or bond market. Particularly, common stocks tend to be more volatile than other investment choices such as bonds and money market instruments, while fixed-income securities with short-term maturities are generally less sensitive to such changes than are fixed-income securities with longer-term maturities. In addition, there is a risk that policy changes by the U.S. Government, Federal Reserve or other government actors, which could include increasing interest rates, could cause increased volatility in financial and credit markets and lead to higher Fund share volatility or higher levels of Fund redemptions, which could negatively impact a Fund and cause you to lose money.

Outbreaks such as the novel coronavirus known as COVID-19 may result in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. Although effective vaccines are now available, it may be many months before vaccinations are sufficiently widespread to allow the restoration of full economic activity. The failure to control the coronavirus in less developed countries may impact the economies of more developed countries. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

Russia's invasion of Ukraine, and corresponding events in late February 2022, have had, and could continue to have, severe adverse effects on regional and global economic markets for securities and commodities. Following Russia's actions, various governments, including the United States, have issued broad-ranging economic sanctions against Russia, including, among other actions, a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs; the removal by certain countries and the European Union of selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications ("SWIFT"), the electronic banking network that connects banks globally; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. The current events, including sanctions and the potential for future sanctions, including any impacting Russia's energy sector, and other actions, and Russia's retaliatory responses to those sanctions and actions, may continue to adversely impact the Russian and Ukrainian economies and may result in the further decline of the value and liquidity of Russian and Ukrainian securities, a continued weakening of the ruble and hryvnia and continued exchange closures, and may have other adverse consequences on the Russian and Ukrainian economies that could impact the value of these investments and impair the ability of the Fund to buy, sell, receive or deliver those securities. Moreover, those events have, and could continue to have, an adverse effect on global markets performance and liquidity, thereby negatively affecting the value of the Fund's investments beyond any direct exposure to Russian and Ukrainian issuers. The duration of ongoing hostilities and the vast array of sanctions and related events cannot be predicted. Those

events present material uncertainty and risk with respect to markets globally and the performance of the Fund and its investments or operations could be negatively impacted.

### **Cybersecurity Risk**

With the increased use of technologies such as the Internet to conduct business, the Funds are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (*i.e.*, efforts to make network services unavailable to intended users). Cybersecurity failures or breaches suffered by the Funds’ Sub-Advisor, distributor, and other service providers (including, but not limited to, Fund accountants, custodians, transfer agents, and administrators), market makers, Authorized Participants (as defined below) and the issuers of securities in which the Funds invest have the ability to cause disruptions and impact business operations potentially resulting in financial losses, interference with a Fund’s ability to calculate its NAV, impediments to trading, the inability of the shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Funds have established business continuity plans in the event of, and risk management systems to prevent, such cyber attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, the Funds cannot control the cybersecurity plans and systems put in place by service providers to the Funds and issuers in which the Funds invest, market makers, or Authorized Participants. The Funds and their shareholders could be negatively impacted as a result of any cyber incidents impacting such parties.

Each Fund may invest in the following types of investments, each of which is subject to certain risks, as discussed below:

### **Equity Securities**

Common stocks, preferred stocks, convertible securities, rights, warrants and American Depositary Receipts (“**ADRs**”), and real estate investment trusts (“**REITs**”) are examples of equity securities in which the Funds may invest.

All investments in equity securities are subject to market risks that may cause their prices to fluctuate over time. Historically, the equity markets have moved in cycles and the value of the securities in a Fund’s portfolio may fluctuate substantially from day to day. Owning an equity security can also subject a Fund to the risk that the issuer may discontinue paying dividends. There is also the risk that sharp price declines in securities owned by the Funds, known as flash crash risk, may trigger trading halts, which may result in the Funds’ Shares trading in the market at an increasingly large discount to NAV during part (or all) of a trading day.

**Common Stocks.** A common stock represents a proportionate share of the ownership of a company and its value is based on the success of the company’s business, any income paid to stockholders, the value of its assets, and general market conditions. In addition to the general risks set forth above, investments in common stocks are subject to the risk that in the event a company in which a Fund or an ETP invests is liquidated, the holders of preferred stock and

creditors of that company will be paid in full before any payments are made to a Fund or such ETP as a holder of common stock. It is possible that all assets of that company will be exhausted before any payments are made to a Fund or such ETP.

**Preferred Stocks.** Preferred stocks are equity securities that often pay dividends at a specific rate and have a preference over common stocks in dividend payments and liquidation of assets. A preferred stock has a blend of the characteristics of a bond and common stock. It can offer the higher yield of a bond and has priority over common stock in equity ownership, but does not have the seniority of a bond and, unlike common stock, its participation in the issuer's growth may be limited. Although the dividend is set at a fixed annual rate, in some circumstances it can be changed or omitted by the issuer.

**Convertible Securities.** Each Fund may invest directly, or indirectly, through an ETP in convertible securities. Traditional convertible securities include corporate bonds, notes, and preferred stocks that may be converted into or exchanged for common stock, and other securities that also provide an opportunity for equity participation. These securities are convertible either at a stated price or a stated rate (that is, for a specific number of shares of common stock or other security). As with other debt securities, the price of a convertible security generally varies inversely with interest rates. While providing a debt stream, a convertible security also affords the investor an opportunity, through its conversion feature, to participate in the capital appreciation of the common stock into which it is convertible. As the market price of the underlying common stock declines, convertible securities tend to trade increasingly on a yield basis and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the price of a convertible security tends to rise as a reflection of higher yield or capital appreciation. In such situations, a Fund or such ETP may have to pay more for a convertible security than the value of the underlying common stock.

**Rights and Warrants.** Each Fund may invest directly, or indirectly, through an ETP in rights and warrants. A right is a privilege granted to existing shareholders of a corporation to subscribe to shares of a new issue of common stock and it is issued at a predetermined price in proportion to the number of shares already owned. Rights normally have a short life, usually two to four weeks, are freely transferable and entitle the holder to buy the new common stock at a lower price than the current market. Warrants are options to purchase equity securities at a specific price for a specific period of time. They do not represent ownership of the securities, but only the right to buy them. Hence, warrants have no voting rights, pay no dividends and have no rights with respect to the assets of the corporation issuing them. The value of warrants is derived solely from capital appreciation of the underlying equity securities. Warrants differ from call options in that the underlying corporation issues warrants, whereas call options may be written by anyone.

An investment in rights and warrants may entail greater risks than certain other types of investments. Generally, rights and warrants do not carry the right to receive dividends or exercise voting rights with respect to the underlying securities, and they do not represent any rights in the assets of the issuer. In addition, although their value is influenced by the value of the underlying security, their value does not necessarily change with the value of the underlying securities, and they cease to have value if they are not exercised on or before their expiration date. Investing in rights and warrants increases the potential profit or loss to be realized from the investment as compared with investing the same amount in the underlying securities.

**REITs.** The Funds may invest in shares of REITs. REITs are pooled investment vehicles which invest primarily in real estate or real estate related loans. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. Like regulated investment companies such as the Funds, REITs are not taxed on income distributed to shareholders provided they comply with certain requirements under the Code. Shareholders of the Funds will indirectly bear a proportionate share of the expenses of REITs in which the Funds invest, in addition to the expenses paid by the Funds. Investing in REITs involves certain unique risks. Equity REITs may be affected by changes in the value of the underlying property owned by such REITs, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, are not diversified (except to the extent the Code requires), and are subject to the risks of financing projects. REITs are subject to heavy cash flow dependency, default by borrowers, self-liquidation, and the possibilities of failing to qualify for the exemption from tax for distributed income under the Code and failing to maintain their exemptions from the 1940 Act. REITs (especially mortgage REITs) are also subject to interest rate risks.

**Tracking Stocks.** Each Fund may invest in tracking stocks. A tracking stock is a separate class of common stock whose value is linked to a specific business unit or operating division within a larger company and which is designed to “track” the performance of such business unit or division. The tracking stock may pay dividends to shareholders independent of the parent company. The parent company, rather than the business unit or division, generally is the issuer of tracking stock. However, holders of the tracking stock may not have the same rights as holders of the company’s common stock.

#### **Small- and Medium-Sized Companies**

The Funds may invest directly, or indirectly through an ETP, in the equity securities of small- and medium-sized companies. As such, a Fund and such ETP will be exposed to the risks of smaller sized companies. Small- and medium-sized companies may have narrower markets for their goods and/or services and may have more limited managerial and financial resources than larger, more established companies. Furthermore, such companies may have limited product lines, services, markets, or financial resources or may be dependent on a small management group. In addition, because these stocks may not be well-known to the investing public, do not have significant institutional ownership or are typically followed by fewer security analysts, there will normally be less publicly available information concerning these securities compared to what is available for the securities of larger companies. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, can decrease the value and liquidity of securities held by a Fund. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of a Fund’s portfolio or such ETP’s portfolio.

#### **Investment Companies**

Each Fund may invest in shares of other registered investment companies, including other ETFs, closed-end funds, money market mutual funds, unit investment trusts, and business development companies in pursuit of its investment objective, in accordance with the limitations established under the 1940 Act as well as any exemptions from such limitations granted by

the SEC. Each Fund also may invest in money market mutual funds in connection with the Fund's management of daily cash positions. Investments in the securities of other investment companies may involve duplication of advisory fees and certain other expenses. By investing in another investment company, a Fund becomes a shareholder of that investment company. As a result, Fund shareholders indirectly will bear a Fund's proportionate share of the fees and expenses paid by Fund shareholders of the other investment company, in addition to the fees and expenses Fund shareholders directly bear in connection with a Fund's own operations.

*ETPs.* Some ETPs are ETFs which are open-end investment companies whose shares are listed on a national securities exchange. An ETF is similar to a traditional mutual fund, but trades at different prices during the day on a securities exchange. Similar to investments in other investment companies discussed above, a Fund's investments in ETPs will involve duplication of advisory fees and other expenses because the Fund will be investing in another investment company. In addition, a Fund's investment in ETPs is also subject to its limitations on investments in investment companies, as well as any exemptions from such limitations granted by the SEC. To the extent a Fund invests in ETPs which focus on a particular market segment or industry, the Fund will also be subject to the risks associated with investing in those sectors or industries. The shares of the ETPs in which each Fund will invest will be listed on a national securities exchange and a Fund will purchase or sell these shares on the secondary market at its current market price, which may be more or less than its NAV.

As a purchaser of ETP shares on the secondary market, each Fund will be subject to the market risk associated with owning any security whose value is based on market price. ETP shares historically have tended to trade at or near their NAV, but there is no guarantee that they will continue to do so. Unlike traditional mutual funds, shares of an ETP may be purchased and redeemed directly from the ETPs only in large blocks (typically 10,000 shares or more) and only through participating organizations that have entered into contractual agreements with the ETP. The Funds do not expect to enter into such agreements and therefore will not be able to purchase and redeem their ETP shares directly from the ETP.

### **Equity Options**

Each Fund may directly, or indirectly through an ETP, write call options on stocks and stock indices if the calls are "covered" throughout the life of the option. A call is "covered" if a Fund owns the optioned securities. See below for additional ways a call can be covered. When a Fund writes a call, they receive a premium and give the purchaser the right to buy the underlying security at any time during the call period at a fixed exercise price regardless of market price changes during the call period. If the call is exercised, a Fund will forgo any gain from an increase in the market price of the underlying security over the exercise price.

Each Fund may purchase a call on securities to effect a "closing purchase transaction," which is the purchase of a call covering the same underlying security and having the same exercise price and expiration date as a call previously written by a Fund on which it wishes to terminate its obligation. If a Fund is unable to effect a closing purchase transaction, it will not be able to sell the underlying security until the call previously written by the Fund expires (or until the call is exercised and the Fund delivers the underlying security).

Each Fund may also write and purchase put options ("**puts**"). When a Fund writes a put, it receives a premium and gives the purchaser of the put the right to sell the underlying security to the Fund at the exercise price at any time during the option period. When a Fund purchases a

put, it pays a premium in return for the right to sell the underlying security at the exercise price at any time during the option period. If any put is not exercised or sold, it will become worthless on its expiration date.

**Purchasing Put and Call Options.** When a Fund purchases a put option, it buys the right to sell the instrument underlying the option at a fixed strike price. In return for this right, a Fund pays the current market price for the option (known as the “**option premium**”). A Fund may purchase put options to offset or hedge against a decline in the market value of its securities (“**protective puts**”) or to benefit from a decline in the price of securities that it does not own. A Fund would ordinarily realize a gain if, during the option period, the value of the underlying securities decreased below the exercise price sufficiently to cover the premium and transaction costs. However, if the price of the underlying instrument does not fall enough to offset the cost of purchasing the option, a put buyer would lose the premium and related transaction costs.

Call options are similar to put options, except that a Fund obtains the right to purchase, rather than sell, the underlying instrument at the option’s strike price. A Fund would normally purchase call options in anticipation of an increase in the market value of securities it owns or wants to buy. A Fund would ordinarily realize a gain if, during the option period, the value of the underlying instrument exceeded the exercise price plus the premium paid and related transaction costs. Otherwise, a Fund would realize either no gain or a loss on the purchase of the call option.

The purchaser of an option may terminate its position by:

- Allowing it to expire and losing its entire premium;
- Exercising the option and either selling (in the case of a put option) or buying (in the case of a call option) the underlying instrument at the strike price; or
- Closing it out in the secondary market at its current price.

*Writing (Selling) Put and Call Options.* When a Fund writes a call option it assumes an obligation to sell specified securities to the holder of the option at a specified price if the option is exercised at any time before the expiration date. Similarly, when a Fund writes a put option it assumes an obligation to purchase specified securities from the option holder at a specified price if the option is exercised at any time before the expiration date. A Fund may terminate its position in an exchange-traded put option before exercise by buying an option identical to the one it has written. Similarly, it may cancel an over-the-counter option by entering into an offsetting transaction with the counter-party to the option.

A Fund may try to hedge against an increase in the value of securities it would like to acquire by writing a put option on those securities. If a security’s price rises, a Fund would expect the put option to expire and the premium it received to offset the increase in the security’s value. If a security’s price remains the same over time, a Fund would hope to profit by closing out the put option at a lower price. If a security’s price falls, a Fund may lose an amount of money equal to the difference between the value of the security and the premium it received. Writing covered put options may deprive a Fund of the opportunity to profit from a decrease in the market prices of the securities it would like to acquire.

The characteristics of writing call options are similar to those of writing put options, except that call writers expect to profit if prices remain the same or fall. A Fund could try to hedge against a

decline in the value of securities it already owns by writing a call option. If the price of that security falls as expected, a Fund would expect the option to expire and the premium it received to offset the decline of the security's value. However, a Fund must be prepared to deliver the underlying instrument in return for the strike price, which may deprive it of the opportunity to profit from an increase in the market price of the securities it holds.

Each Fund is permitted only to write covered options. A Fund can cover a call option by owning:

- The underlying security (or securities convertible into the underlying security without additional consideration), index, interest rate, foreign currency or futures contract;
- A call option on the same security or index with the same or lesser exercise price;
- A call option on the same security or index with a greater exercise price and segregating cash or liquid securities in an amount equal to the difference between the exercise prices;
- Cash or liquid securities equal to at least the market value of the optioned securities, interest rate, foreign currency, or futures contract; or
- In the case of an index, securities whose price movements correlate to the movements of the index.

A Fund can cover a put option by:

- Entering into a short position in the underlying security;
- Purchasing a put option on the same security, index, interest rate, foreign currency or futures contract with the same or greater exercise price;
- Purchasing a put option on the same security, index, interest rate, foreign currency or futures contract with a lesser exercise price and segregating cash or liquid securities in an amount equal to the difference between the exercise prices; or
- Maintaining the entire exercise price in liquid securities.

*Options on Securities Indices.* Options on securities indices are similar to options on securities, except that the exercise of securities index options requires cash settlement payments and does not involve the actual purchase or sale of securities. In addition, securities index options are designed to reflect price fluctuations in a group of securities or segment of the securities market, rather than price fluctuations in a single security.

*Options on Futures.* An option on a futures contract provides the holder with the right to buy a futures contract (in the case of a call option) or sell a futures contract (in the case of a put option) at a fixed time and price. Upon exercise of the option by the holder, the contract market clearing house establishes a corresponding short position for the writer of the option (in the case of a call option) or a corresponding long position (in the case of a put option). If the option is exercised, the parties will be subject to the futures contracts. In addition, the writer of an option on a futures contract is subject to initial and variation margin requirements on the option position. Options on futures contracts are traded on the same contract market as the underlying futures contract.

The buyer or seller of an option on a futures contract may terminate the option early by purchasing or selling an option of the same series (*i.e.*, the same exercise price and expiration date) as the option previously purchased or sold. The difference between the premiums paid and received represents the trader's profit or loss on the transaction.

A Fund may directly, or indirectly through an ETP, purchase put and call options on futures contracts instead of selling or buying futures contracts. A Fund or an ETP may buy a put option on a futures contract for the same reason it would sell a futures contract. It also may purchase such put options in order to hedge a long position in the underlying futures contract. Each Fund or an ETP may buy call options on futures contracts for the same purpose as the actual purchase of the futures contracts, such as in anticipation of favorable market conditions.

A Fund or an ETP may write a call option on a futures contract to hedge against a decline in the prices of the instrument underlying the futures contracts. If the price of the futures contract at expiration were below the exercise price, a Fund or ETP would retain the option premium, which would offset, in part, any decline in the value of its assets.

The writing of a put option on a futures contract is similar to the purchase of the futures contracts, except that, if the market price declines, a Fund or such ETP would pay more than the market price for the underlying instrument. The premium received on the sale of the put option, less any transaction costs, would reduce the net cost to a Fund or such ETP.

*Combined Positions.* A Fund or an ETP may purchase and write options in combination with each other, or in combination with futures or forward contracts, to adjust the risk and return characteristics of the overall position. For example, a Fund could construct a combined position whose risk and return characteristics are similar to selling a futures contract by purchasing a put option and writing a call option on the same underlying instrument. Alternatively, a Fund could write a call option at one strike price and buy a call option at a lower price to reduce the risk of the written call option in the event of a substantial price increase. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

*Caps and Floors.* Each Fund or an ETP may enter cap and floor agreements. Caps and floors have an effect similar to buying or writing options. In a typical cap or floor agreement, one party agrees to make payments only under specified circumstances, usually in return for payment of a fee by the other party. For example, the buyer of an interest rate cap obtains the right to receive payments to the extent that a specified interest rate exceeds an agreed-upon level. The seller of an interest rate floor is obligated to make payments to the extent that a specified interest rate falls below an agreed-upon level. An interest rate collar combines elements of buying a cap and selling a floor.

*Risks of Derivatives.* While transactions in derivatives may reduce certain risks, these transactions themselves entail certain other risks. For example, unanticipated changes in interest rates, securities prices or currency exchange rates may result in poorer overall performance of a Fund than if it had not entered into any derivatives transactions. Derivatives may magnify a Fund's gains or losses, causing it to make or lose substantially more than it invested.

When used for hedging purposes, increases in the value of the securities a Fund holds or intends to acquire should offset any losses incurred with a derivative. Purchasing derivatives for purposes other than hedging could expose a Fund to greater risks.

On October 28, 2020, the SEC adopted Rule 18f-4 under the 1940 Act which regulates the use of derivatives for certain funds registered under the Investment Company Act (“Rule 18f-4”). Unless a fund qualifies as a “limited derivatives user” as defined in Rule 18f-4, the rule, among other things, requires the fund to establish a comprehensive derivatives risk management program, comply with certain value-at-risk (“VAR”) based leverage limits, appoint a derivatives risk manager and provide additional disclosure both publicly and to the SEC regarding its derivatives positions. Rule 18f-4 provides an exception for limited derivatives users, which Rule 18f-4 defines as any fund that limits its derivatives exposure to 10% of its net assets, excluding certain currency and interest rate hedging transactions. Limited derivatives users are exempt from Rule 18f-4’s requirements to comply with VaR-based limits, appoint a derivatives risk manager, and adopt a derivatives risk management program. If a fund qualifies as a limited derivatives user, it must adopt and implement policies and procedures reasonably designed to manage its derivatives risk. As of the date of this prospectus, each Fund qualifies as a limited derivatives user and has adopted policies and procedures to manage its derivatives risk.

*Derivative Management Risk.* If the Sub-Advisor incorrectly predicts stock market and interest rate trends, a Fund may lose money by investing in derivatives. For example, if a Fund were to write a call option based on its Sub-Advisor’s expectation that the price of the underlying security would fall, but the price was to rise instead, a Fund could be required to sell the security upon exercise at a price below the current market price.

### **Short Selling**

All of the Funds or ETPs may invest, in part, in short positions in equity securities. As opposed to taking long positions in which an investor seeks to profit from increases in the price of a stock, short selling (or “selling short”) is a technique used by the Funds to try and profit from the falling price of a stock. Short selling involves selling stock that has been borrowed from a third party with the intention of buying identical stock back at a later date to return to that third party. The basic principle of short selling is that selling stock now at a high price, to buy later at a lower price, is profitable. The short seller hopes to profit from a decline in the price of the assets between the sale and the repurchase, as the seller will pay less to buy the assets than it received on selling them.

If a Fund effects a short sale of Financial Instruments at a time when it has an unrealized gain on the same instruments, it may be required to recognize that gain as if it had actually sold the instruments (as a “constructive sale”) on the date it effects the short sale. However, such constructive sale treatment may not apply if the Fund closes out the short sale with instruments other than the appreciated instruments held at the time of the short sale and if certain other conditions are satisfied. Uncertainty regarding the tax consequences of effecting short sales may limit the extent to which a Fund may effect short sales.

A Fund may be required to close short portfolio security positions in order to facilitate the redemption process. If a Fund recognizes gain on such transactions, this generally will cause the Fund to recognize gain it might not otherwise have recognized, or to recognize such gain sooner than would otherwise be required had it been able to effect the redemption by distributing portfolio securities in-kind. The Funds generally intend to distribute these gains to shareholders

to avoid being taxed on this gain at the Fund level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF.

### **Government Obligations**

Each Fund may invest directly, or indirectly through ETPs, in U.S. Government obligations and other quasi government related obligations. Such obligations include Treasury bills, certificates of indebtedness, notes, and bonds, and issues of such entities as the Government National Mortgage Association (“**GNMA**”), Export-Import Bank of the United States, Tennessee Valley Authority, Resolution Funding Corporation, Farmers Home Administration, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Land Banks, Federal Housing Administration, Federal National Mortgage Association (“**FNMA**”), Federal Home Loan Mortgage Corporation (“**FHLMC**”), and the Student Loan Marketing Association.

Some of these obligations, such as those of the GNMA, are supported by the full faith and credit of the U.S. Treasury Department; others, such as those of the Export-Import Bank of the United States, are supported by the right of the issuer to borrow from the U.S. Treasury; others, such as those of the FNMA, are supported by the discretionary authority of the U.S. Government to purchase the agency’s obligations; still others, such as those of the Student Loan Marketing Association, are supported only by the credit of the instrumentality. No assurance can be given that the U.S. Government would provide financial support to U.S. Government-sponsored instrumentalities if it is not obligated to do so by law.

The Fund may invest directly, or indirectly through ETPs, in sovereign, quasi-sovereign, supranational or local authority debt obligations issued by non-U.S. governments. A sovereign debtor’s willingness or ability to repay principal and interest in a timely manner may be affected by a number of factors, including its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor’s policy toward principal international lenders, and the political constraints to which it may be subject. Emerging market governments could default on their sovereign debt. Such sovereign debtors also may be dependent on expected disbursements from foreign governments, multilateral agencies and other entities abroad to reduce principal and interest arrearages on their debt. The commitments on the part of these governments, agencies, and others to make such disbursements may be conditioned on a sovereign debtor’s implementation of economic reforms and/or economic performance and the timely service of such debtor’s obligations. Failure to meet such conditions could result in the cancellation of such third parties’ commitments to lend funds to the sovereign debtor, which may further impair such debtor’s ability or willingness to service its debt in a timely manner.

### **When-Issued Securities**

Each Fund or an ETP may purchase securities on a when-issued basis, for payment and delivery at a later date, generally within one month. The price and yield are generally fixed on the date of commitment to purchase, and the value of the security is thereafter reflected in the Fund’s NAV. During the period between purchase and settlement, no payment is made by the Fund and no interest accrues to the Fund. At the time of settlement, the market value of the security may be more or less than the purchase price. When the Fund purchases securities on a when-issued

basis, it maintains liquid assets in a segregated account with its custodian in an amount equal to the purchase price as long as the obligation to purchase continues.

### **Illiquid Securities**

As a non-principal strategy, each Fund may hold up to 15% of its net assets in securities that are illiquid, which means that there may be legal or contractual restrictions on their disposition, or that there is no readily available market for such a security. Illiquid securities present the risks that a Fund may have difficulty valuing these holdings and/or may be unable to sell these holdings at the time or price desired. There are generally no restrictions on a Fund's ability to invest in restricted securities (that is, securities that are not registered pursuant to the Securities Act), except to the extent such securities may be considered illiquid. Securities issued pursuant to Rule 144A of the Securities Act ("**Rule 144A securities**") will be considered liquid if determined to be so under procedures adopted by the Board. The Board designated Liquidity Committee is responsible for making the determination as to the liquidity of restricted securities (pursuant to the procedures adopted by the Board). A Fund will determine a security to be illiquid if it cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. Factors considered in determining whether a security is illiquid may include, but are not limited to: the frequency of trades and quotes for the security; the number of dealers willing to purchase and sell the security and the number of potential purchasers; the number of dealers who undertake to make a market in the security; the nature of the security, including whether it is registered or unregistered, and the market place; whether the security has been rated by a nationally recognized statistical rating organization ("**NRSRO**"); the period of time remaining until the maturity of a debt instrument or until the principal amount of a demand instrument can be recovered through demand; the nature of any restrictions on resale; and with respect to municipal lease obligations and certificates of participation, there is reasonable assurance that the obligation will remain liquid throughout the time the obligation is held and, if unrated, an analysis similar to that which would be performed by an NRSRO is performed. If a restricted security is determined to be liquid, it will not be included within the category of illiquid securities. Investing in Rule 144A securities could have the effect of increasing the level of a Fund's illiquidity to the extent that a Fund, at a particular point in time may be unable to find qualified institutional buyers interested in purchasing the securities. Each Fund is permitted to sell restricted securities to qualified institutional buyers.

### **Short-Term, Temporary, and Cash Investments**

Each Fund may invest in any of the following securities and instruments:

*Bank Certificates of Deposit, Bankers' Acceptances and Time Deposits.* Each Fund or ETP may acquire certificates of deposit, bankers' acceptances and time deposits. Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning in effect that the bank unconditionally agrees to pay the face value of the instrument on maturity. Certificates of deposit and bankers' acceptances acquired by a Fund will be dollar denominated obligations of domestic or foreign banks or financial institutions which at the time of purchase have capital, surplus and undivided profits in excess of \$100 million (including assets of both domestic and foreign branches), based on latest published reports, or less than \$100 million if the principal amount of such bank obligations are fully insured by the U.S. Government. If a Fund holds instruments of foreign banks or financial

institutions, it may be subject to additional investment risks that are different in some respects from those incurred by a fund that invests only in debt obligations of U.S. domestic issuers. See “Foreign Investments” above. Such risks include future political and economic developments, the possible imposition of withholding taxes by the particular country in which the issuer is located on interest income payable on the securities, the possible seizure or nationalization of foreign deposits, the possible establishment of exchange controls or the adoption of other foreign governmental restrictions which might adversely affect the payment of principal and interest on these securities.

Domestic banks and foreign banks are subject to different governmental regulations with respect to the amount and types of loans which may be made and interest rates which may be charged. In addition, the profitability of the banking industry depends largely upon the availability and cost of funds for the purpose of financing lending operations under prevailing money market conditions. General economic conditions as well as exposure to credit losses arising from possible financial difficulties of borrowers play an important part in the operations of the banking industry.

As a result of federal and state laws and regulations, domestic banks are, among other things, required to maintain specified levels of reserves, limited in the amount which they can loan to a single borrower, and subject to other regulations designed to promote financial soundness. However, such laws and regulations do not necessarily apply to foreign bank obligations that a Fund may acquire.

In addition to purchasing certificates of deposit and bankers’ acceptances, to the extent permitted under its investment objectives and policies stated above and in its Prospectus, a Fund may make interest bearing time or other interest bearing deposits in commercial or savings banks. Time deposits are non-negotiable deposits maintained at a banking institution for a specified period of time at a specified interest rate.

*Savings Association Obligations.* Each Fund or an ETP may invest in certificates of deposit (interest bearing time deposits) issued by savings banks or savings and loan associations that have capital, surplus and undivided profits in excess of \$100 million, based on latest published reports, or less than \$100 million if the principal amount of such obligations is fully insured by the U.S. Government.

*Commercial Paper, Short-term, Notes and Other Corporate Obligations.* Each Fund or an ETP may invest a portion of its assets in commercial paper and short-term notes. Commercial paper consists of unsecured promissory notes issued by corporations. Issues of commercial paper and short-term notes will normally have maturities of less than nine months and fixed rates of return, although such instruments may have maturities of up to one year.

Commercial paper and short-term notes will consist of issues rated at the time of purchase “A-2” or higher by S&P, “Prime-1” by Moody’s, or similarly rated by another NRSRO or, if unrated, will be determined by the Sub-Advisor to be of comparable quality. These rating symbols are described in Appendix B.

### **Lending Portfolio Securities**

Each Fund may lend its portfolio securities in an amount not exceeding one-third of its total assets to financial institutions such as banks and brokers if the loan is collateralized in

accordance with applicable regulations. Under the present regulatory requirements which govern loans of portfolio securities, the loan collateral must, on each business day, at least equal the value of the loaned securities and must consist of cash, letters of credit of domestic banks or domestic branches of foreign banks, or securities of the U.S. Government or its agencies. To be acceptable as collateral, letters of credit must obligate a bank to pay amounts demanded by the Funds if the demand meets the terms of the letter. Such terms and the issuing bank would have to be satisfactory to the Funds. Any loan might be secured by any one or more of the three types of collateral. The terms of the Funds' loans must meet certain tests under the Code.

Securities lending involves exposure to certain risks, such as operational, counterparty, credit and market risk. Delays or restrictions upon the Funds' ability to recover loaned securities exposes the Fund to operational issues surrounding the processing and settlement of related trading and could create an inability to dispose of the collateral for the loan(s). All investments made with the collateral received are subject to market and other risks associated with such investments. If such investments lose value, the Funds will have to cover the loss when repaying the collateral to the borrower, which could require the Fund to liquidate other investments in order to return said collateral.

Delays in recovery of loaned securities could result from the event of default or insolvency by a borrower. While US Bank has agreed to provide the Funds with indemnification in the event of a borrower default, in such instances, the Funds are exposed to the risk of a possible loss in the value of loaned securities (e.g., the opportunity of disposition at favorable prices is lost due to a delay in recover), the risk of a possible opportunity cost of reinvestment (e.g., adverse price movement occurs following a cash-in-lieu payment being made where in-kind recovery of securities is not possible), and the risk of a possible loss of rights in the collateral, among other risks.

### **Borrowing**

Though the Funds do not currently intend to borrow money, each Fund is authorized to borrow money from time to time for temporary, extraordinary or emergency purposes or for clearance of transactions, and not for the purpose of leveraging its investments, in amounts not to exceed at any time 33 1/3% of the value of its total assets at the time of such borrowings, as allowed under the 1940 Act. The use of borrowing by a Fund involves special risk considerations that may not be associated with other funds having similar objectives and policies. Because substantially all of a Fund's assets fluctuate in value, while the interest obligation resulting from a borrowing will be fixed by the terms of a Fund's agreement with its lender, the NAV per Share of a Fund will tend to increase more when its portfolio securities increase in value and to decrease more when its portfolio assets decrease in value than would otherwise be the case if a Fund did not borrow. In addition, interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Under adverse market conditions, a Fund might have to sell portfolio securities to meet interest or principal payments at a time when fundamental investment considerations would not favor such sales.

### **Cash Transactions Risk**

The Funds currently intend to effect creation and redemptions "in-kind," although the Trust reserves the right to require creations and redemption be effected in whole or in part for cash. To the extent creations and redemptions are effected in cash, the Funds may be less tax-efficient than an investment in an ETF that does not elect to effect all creations and redemptions

principally for cash. ETFs generally are able to make in-kind redemptions and generally are not taxed on any gains on holdings that are distributed as part of an in-kind redemption.

### **Commodities Risk**

The Funds and certain ETPs may have some investment exposure to the commodities markets which may subject the market prices of the Funds or such ETPs to greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets may fluctuate widely based on a variety of factors. These include changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates, and/or investor expectations concerning interest rates, domestic and foreign inflation rates, and/or investor expectations concerning inflation rates, investment and trading activities of mutual funds, hedge funds, and commodities funds. Prices of various commodities may also be affected by factors such as drought, floods, weather, livestock disease, embargoes, tariffs, and other regulatory developments. Many of these factors are very unpredictable. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. As a result, political, economic, and supply related events in such countries could have a disproportionate impact on the prices of such commodities. Because the performance of the Funds and such ETPs may be linked to the performance of highly volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of Shares of Funds and shares of the ETPs.

The WBI BullBear Value 3000 ETF, WBI BullBear Yield 3000 ETF, and WBI BullBear Quality 3000 ETF may also invest in the following types of investments, each of which is subject to certain risks, as discussed below:

### **Debt and High-Yield Securities**

Debt securities include traditional debt securities issued by corporations, such as bonds and debentures and debt securities that are convertible into common stock and interests. Debt securities that will be eligible for purchase by the Funds or an ETP include investment grade and high-yield corporate debt securities. Investment grade securities are those rated BBB or better by Standard & Poor's® Ratings Group (“**S&P**®”) and those rated Baa or better by Moody's Investors Service®, Inc. (“**Moody's**”) or their equivalent. Securities rated BBB by S&P® are considered investment grade, but Moody's considers securities rated Baa to have speculative characteristics. High-yield securities, or “junk bonds,” are rated less than investment grade.

The WBI BullBear Value 3000 ETF, WBI BullBear Yield 3000 ETF, and WBI BullBear Quality 3000 ETF may invest up to 20% of its net assets in high-yield bonds (also known as “junk bonds”).

Each Fund also may obtain indirect exposure to debt and high-yield securities through investments in other registered investment companies, including ETFs. See Section “Investment Companies.” The WBI BullBear Value 3000 ETF, WBI BullBear Yield 3000 ETF, and WBI BullBear Quality 3000 ETF each reserves the right to invest up to 20% of its net assets in securities rated lower than BBB by S&P® or lower than Baa by Moody's. High-yield debt securities generally offer a higher current yield than that available for higher-grade issues. However, lower-rated securities involve higher risks in that they are especially subject to adverse changes in general economic conditions and in the industries in which the issuers are engaged, to changes in the financial condition of the issuers, and to price fluctuations in response to changes in interest rates.

During periods of economic downturn or rising interest rates, highly leveraged issuers may experience financial stress that could adversely affect their ability to make payments of interest and principal and increase the possibility of default.

The market for high-yield debt securities is generally thinner and less active than that for higher quality securities, which may limit a Fund's ability to sell such securities at fair value in response to changes in the economy or financial markets. Adverse publicity and investor perceptions, whether based on fundamental analysis, may also decrease the values and liquidity of lower-rated securities, especially in a thinly traded market.

Ratings of debt securities represent the rating agencies' opinions regarding their quality, but are not a guarantee of quality and may be reduced after a Fund or ETP has acquired the security. If a security's rating is reduced while it is held by a Fund, the Sub-Advisor will consider whether the Fund should continue to hold the security but is not required to dispose of it. Credit ratings attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial condition may be better or worse than the rating indicates. The ratings for debt securities are described in Appendix A.

Debt securities with longer maturities generally entail greater risk than those with shorter maturities.

The WBI BullBear Value 3000 ETF, WBI BullBear Yield 3000 ETF, and WBI BullBear Quality 3000 ETF may also invest in the following types of investments, each of which is subject to certain risks, as discussed below:

### **Foreign Investments and Foreign Currencies**

Each Fund may invest directly, or indirectly through an ETP, in securities of non-U.S. issuers ("**foreign securities**") and may take active positions in foreign currencies. Each Fund and an ETP may reserve the right to invest without limitation in Depositary Receipts ("**DRs**"), U.S. dollar-denominated securities, foreign securities, securities of companies incorporated outside the U.S., and Financial Instruments that provide exposure to foreign currencies.

**Depositary Receipts.** DRs include ADRs, European Depositary Receipts ("**EDRs**"), Global Depositary Receipts ("**GDRs**"), or other forms of DRs. DRs are receipts typically issued in connection with a U.S. or foreign bank or trust company which evidence ownership of underlying securities issued by a non-U.S. company.

**ADRs.** ADRs are depositary receipts for foreign securities denominated in U.S. dollars and traded on U.S. securities markets. These securities may not necessarily be denominated in the same currency as the securities for which they may be exchanged. These are certificates evidencing ownership of shares of a foreign-based issuer held in trust by a bank or similar financial institutions. Designed for use in U.S. securities markets, ADRs are alternatives to the purchase of the underlying securities in their national market and currencies. ADRs may be purchased through "sponsored" or "unsponsored" facilities. A sponsored facility is established jointly by the issuer of the underlying security and a depositary, whereas a depositary may establish an unsponsored facility without participation by the issuer of the depositary security. Holders of

unsponsored DRs generally bear all the costs of such facilities and the depository of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through voting rights to the holders of such receipts of the deposited securities. Each Fund may invest up to 10% of its net assets in unsponsored depository receipts.

Investments in foreign securities involve certain inherent risks, including the following:

*Political and Economic Factors.* Individual economies of certain countries may differ favorably or unfavorably from the United States' economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, diversification, and balance of payments position. The internal politics of certain foreign countries may not be as stable as those of the United States. Governments in certain foreign countries also continue to participate to a significant degree, through ownership interest or regulation, in their respective economies. Action by these governments could include restrictions on foreign investment, nationalization, expropriation of goods, or imposition of taxes, and could have a significant effect on market prices of securities and payment of interest. The economies of many foreign countries are heavily dependent upon international trade and are accordingly affected by the trade policies and economic conditions of their trading partners. Enactment by these trading partners of protectionist trade legislation could have a significant adverse effect upon the securities markets of such countries.

*Legal and Regulatory Matters.* Certain foreign countries may have less supervision of securities markets, brokers and issuers of securities, and less financial information available to issuers than is available in the United States.

*Currency Fluctuations.* A change in the value of any foreign currency against the U.S. dollar will result in a corresponding change in the U.S. dollar value of an ADR's underlying portfolio securities denominated in that currency, or the Fund's, or such ETP's investments that provide exposure to the non-U.S. currency. Such changes will affect a Fund and such ETP to the extent that the Fund or such ETP is directly or indirectly exposed to foreign securities denominated in foreign currencies.

*Taxes.* The interest and dividends payable to a Fund or an ETP may be subject to foreign taxes or withholding, thus reducing the net amount of income available for distribution to shareholders. A Fund and an ETP may not be eligible to pass through to its shareholders any tax credits or deductions with respect to such foreign taxes or withholding.

In considering whether to invest in the securities of a non-U.S. company, the Sub-Advisor considers such factors as the characteristics of the particular company, differences between economic trends and the performance of securities markets within the U.S. and those within other countries, and also factors relating to the general economic, governmental, and social conditions of the country or countries where the company is located. The extent to which a Fund will be invested in non-U.S. companies, foreign countries, and DRs will fluctuate from time to time within any limitations described in the Prospectus, depending on the Sub-Advisor's assessment of prevailing market, economic, and other conditions.

*Emerging Markets.* Each Fund may invest directly, or indirectly through an ETP, in foreign securities that may include securities of companies located in developing or emerging markets, which entail additional risks, including: less social, economic, and political stability; smaller

securities markets and lower trading volume, which may result in less liquidity and greater price volatility; national policies that may restrict a Fund's or an ETP's investment opportunities, including restrictions on investments in issuers or industries, or expropriation or confiscation of assets or property; and less developed legal structures governing private or foreign investment. Additional risks of emerging markets securities may include: more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organized and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition, emerging securities markets may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions. Settlement problems may cause a Fund or an ETP to miss attractive investment opportunities, hold a portion of assets in cash pending investment, or be delayed in disposing of a portfolio security. Such a delay could result in possible liability to a purchaser of the security.

## PORTFOLIO TURNOVER

Although the Funds generally will not invest for short-term trading purposes, portfolio securities may be sold without regard to the length of time they have been held. Portfolio turnover rate is calculated by dividing (1) the lesser of purchases or sales of portfolio securities for the fiscal year by (2) the monthly average of the value of portfolio securities owned during the fiscal year. A 100% turnover rate would occur if all the securities in a Fund's portfolio, with the exception of securities whose maturities at the time of acquisition were one year or less, were sold and either repurchased or replaced within one year. A high rate of portfolio turnover (100% or more) generally leads to higher transaction costs and may result in a greater number of taxable transactions. High portfolio turnover generally results in the distribution of short-term capital gains which are taxed at the higher ordinary income tax rates.

For the periods indicated below, the Funds' portfolio turnover rates were:

Fund	Fiscal year ended June 30,	
	2025	2024
WBI BullBear Value 3000 ETF	690%	742%
WBI BullBear Yield 3000 ETF	799%	641%
WBI BullBear Quality 3000 ETF	760%	672%
WBI Power Factor® High Dividend ETF	141%	152%
WBI BullBear Trend Switch US 1000 ETF <sup>1</sup>	N/A	N/A
WBI BullBear Trend Switch US 2000 ETF <sup>1</sup>	N/A	N/A
WBI BullBear Trend Switch US 1000 Total Return ETF <sup>1</sup>	N/A	N/A
WBI BullBear Trend Switch US 2000 Total Return ETF <sup>1</sup>	N/A	N/A

<sup>1.</sup> The Fund had not yet commenced operations as of June 30, 2025.

## MANAGEMENT

### The Role of the Board

The business of the Trust is managed under the direction of the Board, which provides oversight of the management and operations of the Trust. The Board approves all significant agreements

between the Trust and its service providers, including the agreements with the Advisor, the Sub-Advisor, distributor, administrator, custodian, and transfer agent, each of whom are discussed in greater detail in this SAI. Like all mutual funds and ETFs, the day-to-day responsibility for the management and operation of the Trust, including the day-to-day management of risk, is the responsibility of such service providers to the Trust. The Board is responsible for overseeing the Trust's service providers and, thus, has oversight responsibility with respect to the risk management performed by those service providers. Risk management seeks to identify and eliminate or mitigate the potential effects of risks such as events or circumstances that could have material adverse effects on the business, operations, shareholder services, investment performance or reputation of the Trust or the Funds. The Board's role in risk management oversight begins before the inception of an investment portfolio, at which time the Sub-Advisor presents the Board with information concerning the investment objectives, strategies, and risks of the investment portfolio. Additionally, the Sub-Advisor provides the Board with an overview of, among other things, the respective firm's investment philosophy, brokerage practices, and compliance infrastructure. Thereafter, the Board oversees the risk management of the investment portfolio's operations, in part, by requesting periodic reports from and otherwise communicating with various personnel of the service providers, including the Trust's Chief Compliance Officer ("**CCO**") and the independent registered public accounting firm of the Trust. The Board and the Audit Committee of the Board, with respect to identified risks that relate to its scope of expertise, oversee efforts by management and service providers to manage risks to which the Funds may be exposed. In all cases, however, the role of the Board and of any individual Trustee is one of oversight and not of management of the day-to-day affairs of the Trust and its oversight role does not make the Board a guarantor of the Trust's investments, operations, or activities.

Under the overall supervision of the Board and the Audit Committee (discussed in more detail below), the service providers to the Trust employ a variety of processes, procedures, and controls to identify the risks relevant to the operations of the Trust and the Funds to lessen the probability of the risk's occurrence and/or to mitigate the effects of such events or circumstances if they do occur. Each service provider is responsible for one or more discrete aspects of the Trust's business and, consequently, for managing the risks associated with that activity.

The Board is responsible for overseeing the nature, extent, and quality of the services provided to the Funds by the Sub-Advisor and receives information about those services at its regular meetings. In addition, after the Funds have been investing for two years, on at least an annual basis, in connection with its consideration of whether to renew the Sub-Advisory Agreement with the Sub-Advisor, the Board receives detailed information from the Sub-Advisor. Among other things, the Board regularly considers the Sub-Advisor's adherence to each Fund's investment restrictions and compliance with various policies and procedures of the Trust and with applicable securities regulations. The Board also reviews information about each Fund's performance and investments.

The Trust's CCO meets regularly with the Board to review and discuss compliance and other issues. At least annually, the Trust's CCO provides the Board with a report reviewing the adequacy and effectiveness of the Trust's policies and procedures and those of its service providers, including the Sub-Advisor. The report addresses the operation of the policies and procedures of the Trust and each service provider since the date of the last report; material changes to the policies and procedures since the date of the last report; any recommendations

for material changes to the policies and procedures; and material compliance matters since the date of the last report.

The Board receives reports from the Trust's service providers regarding operational risks, portfolio valuation and other matters. Annually, the independent registered public accounting firm reviews with the Audit Committee its audit of the financial statements of the Funds, focusing on major areas of risk encountered by the Trust and noting any significant deficiencies or material weaknesses in the Trust's internal controls.

The Board recognizes that not all risks that may affect the Funds can be identified, that it may not be practical or cost-effective to eliminate or mitigate certain risks, that it may be necessary to bear certain risks (such as investment-related risks) to achieve each Fund's goals, and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness. Moreover, despite the periodic reports the Board receives and the Board's discussions with the service providers to the Trust, it may not be made aware of all of the relevant information of a particular risk. Most of the Trust's investment management and business affairs are carried out by or through the Sub-Advisor and other service providers each of which has an independent interest in risk management but whose policies and the methods by which one or more risk management functions are carried out may differ from the Trust's and each other's in the setting of priorities, the resources available, or the effectiveness of relevant controls. As a result of the foregoing and other factors, the Board's risk management oversight is subject to substantial limitations.

The Chairman of the Board, Don Schreiber, Jr., is an interested person of the Trust as that term is defined under Section 2(a)(19) of the 1940 Act ("**Interested Trustee**") because of his affiliation with the Advisor and the Sub-Advisor. Three of the Trustees (Jude T. Depko, John A. Flanagan, and Andrew Putterman) and their immediate family members have no affiliation or business connection with the Advisor, the Sub-Advisor, or the Funds' principal underwriter or any of their affiliated persons and do not own any stock or other securities issued by the Advisor, the Sub-Advisor, or the Funds' principal underwriter. These Trustees are not Interested Persons of the Trust and are referred to herein as "**Independent Trustees**".

There is an Audit Committee and a Nominating Committee of the Board, each of which is comprised solely of Independent Trustees. The chair of the Audit Committee is John Flanagan, an Independent Trustee. The Committee chair for each Committee is responsible for running the Committee meeting, formulating agendas for those meetings, and coordinating with management to serve as a liaison between the Independent Trustees and management on matters within the scope of the responsibilities of such Committee as set forth in its Board-approved charter.

The Independent Trustees have not designated a lead Independent Trustee given that the number of Trustees is limited. In the future, a lead Independent Trustee may be appointed who will preside over executive sessions of the Independent Trustees, review and provide input on Trust meeting agendas and materials, and represent the Independent Trustees in discussions with the Advisor and the Sub-Advisor. The Board has determined that its leadership and committee structure is appropriate. The Board made this determination in consideration of, among other things, the fact that the Independent Trustees constitute a majority of the Board, the assets under management of the Funds, the number of portfolios overseen by the Board and the total number of Trustees on the Board. Currently, the Independent Trustees are not

represented by “independent counsel”; however, at any time, they are entitled to request representation by independent counsel at the Trust’s expense.

*Members of the Board and Officers of the Trust.* Set forth below are the names, years of birth, position with the Trust, term of office, portfolios supervised and the principal occupations and other directorships for a minimum of the last five years of each of the persons currently serving as members of the Board and as Executive Officers of the Trust. Also included below is the term of office for each of the Executive Officers of the Trust. The members of the Board serve as Trustees for the life of the Trust or until retirement, removal, or their office is terminated pursuant to the Trust’s Declaration of Trust.

*Trustees and Officers*

<b>Name and Year of Birth<sup>(1)</sup></b>	<b>Position(s) Held with Trust</b>	<b>Term of Office and Length of Time Served<sup>(2)</sup></b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Trustee<sup>(3)</sup></b>	<b>Other Directorships Held by Trustee During Past 5 Years</b>
<b>Independent Trustees:</b>					
Jude T. Depko 1946	Trustee	Since June 2014	Retired. Former Technical Consultant, Michael Baker Jr., Inc. (consulting).	4	None
John A. Flanagan 1946	Trustee	Since June 2014	Chief Financial Officer and Treasurer, ETF Managers Trust (investment company) (2015 to present); Principal Financial Officer, ETF Managers Capital, LLC (commodity pool operator) (2014 to present); President, John A. Flanagan CPA, LLC (accounting services) (2010 to present).	4	None
Andrew Putterman 1959	Trustee	Since June 2014	Principal, 1812 Park, LLC (financial consulting) (2014 to present); Advisory Board Member, Silver Lane Advisors (2016 to 2020); Advisory Board Member, Vestigo Ventures 1 GP, LLC (2016 to present); Managing Director, B+ Institutional Services, LLC (2014 to present); Board Member, Capital Integration Systems, LLC (2021 to present).	4	None

Name and Year of Birth <sup>(1)</sup>	Position(s) Held with Trust	Term of Office and Length of Time Served <sup>(2)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee <sup>(3)</sup>	Other Directorships Held by Trustee During Past 5 Years
<b>Interested Trustees:</b>					
Don Schreiber, Jr. 1955 <sup>(4)</sup>	Trustee, President and Principal Executive Officer	Since November 2013	Co-Chief Executive Officer, Director, Treasurer, Chief Compliance Officer and Co-Portfolio Manager, WBI Investments, LLC (registered investment advisor) (1984 to present); Co-Chief Investment Officer and Chief Compliance Officer, WBI Investments, LLC (registered investment advisor) (2024 to present); Chief Executive Officer, Treasurer, Director and Chief Compliance Officer, Millington Securities, LLC (registered investment advisor) (2013 to present); Co-Chief Executive Officer, Vice President, Director and Treasurer, Hartshorne Group, LLC (wealth management services) (2008 to present); Managing Member, Secretary, Treasurer, and Chief Visionary Officer, CyborgTech, LLC (2019 to present).	4	None

<b>Name and Year of Birth<sup>(1)</sup></b>	<b>Position(s) Held with Trust</b>	<b>Term of Office and Length of Time Served<sup>(2)</sup></b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Trustee<sup>(3)</sup></b>	<b>Other Directorships Held by Trustee During Past 5 Years</b>
Matthew Schreiber 1980 <sup>(4)</sup>	Trustee	Since June 2014	Co-Chief Executive Officer of WBI Investments, LLC (2019 to present); Co-Portfolio Manager and Co-Chief Investment Officer of WBI Investments, LLC (2024 to present); Chief Investment Strategist of WBI Investments, LLC (2017 to present), Chief Executive Officer of CyborgTech, LLC (2019 to present); Co-Chief Executive Officer, Hartshorne Group, LLC (wealth management services) (April 2022 to present).	4	None

<b>Name and Year of Birth</b>	<b>Positions held with Trust</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>
<b>Other Officers:</b>			
Ann Schreiber 1984 <sup>(5)</sup>	Secretary & Chief Legal Officer	Since June 2014	President, CyborgTech, LLC (2019 to present); Chief Marketing Officer, WBI Investments, LLC (2015 to present); Corporate Secretary, WBI Investments, LLC; Millington Securities, LLC; Hartshorne Group, LLC (2012 to present).
Liam Clarke 1996	Chief Compliance Officer	Since September 2024	Director, Vigilant Compliance, LLC, (2021 to present); Financial Services Assurance Experienced Associate, PricewaterhouseCoopers, (2018 to 2021)
Fred Teufel 1959	Treasurer & Principal Financial Officer	Since July 2024	Director, Vigilant Compliance, LLC (2020 to present); Professor of Accounting, Saint Joseph's University (2015 to 2021).

(1) The address of each Trustee or officer is c/o Absolute Shares Trust, 331 Newman Springs Road, Suite 143, Red Bank, New Jersey 07701.

(2) Trustees and Officers serve until their successors are duly elected and qualified.

(3) The Fund is part of a "Fund Complex" as defined in the 1940 Act. The Fund Complex includes all open-end funds (including all of their portfolios) advised by the Advisor or the Sub-Advisor and any funds that have an investment advisor that is an affiliated person of the Advisor. As of the date of this SAI, the Fund Complex consists of the 4 Funds of the Trust.

- (4) Don Schreiber Jr. and Matthew Schreiber are each an “interested person” of the Trust (as that term is defined in the 1940 Act) because of their affiliations with the Advisor and the Sub-Advisor. Don Schreiber, Jr. is the father of Matthew Schreiber.
- (5) Ann Schreiber is the daughter of Don Schreiber, Jr., and the sister of Matthew Schreiber.

### **Description of Standing Board Committees**

*Audit Committee.* The principal responsibilities of the Audit Committee are the appointment, compensation, and oversight of the Trust’s independent auditors, including the resolution of disagreements regarding financial reporting between Trust management and such independent auditors. The Audit Committee’s responsibilities include, without limitation, to (i) oversee the accounting and financial reporting processes of the Trust and its internal control over financial reporting and, as the Committee deems appropriate, to inquire into the internal control over financial reporting of certain third-party service providers; (ii) oversee the quality and integrity of the Funds’ financial statements and the independent audits thereof; (iii) oversee, or, as appropriate, assist Board oversight of, the Trust’s compliance with legal and regulatory requirements that relate to the Trust’s accounting and financial reporting, internal control over financial reporting, and independent audits; (iv) approve, prior to appointment, the engagement of the Trust’s independent auditors and, in connection therewith, to review and evaluate the qualifications, independence, and performance of the Trust’s independent auditors; and (v) act as a liaison between the Trust’s independent auditors and the full Board. The Board has adopted a written charter for the Audit Committee. The Trust Board’s Audit Committee is comprised of all Independent Trustees of the Trust, except for Jude Depko. During the fiscal year ended June 30, 2025, the Audit Committee met two times.

*Nominating Committee.* The Nominating Committee has been established to: (i) assist the Board in matters involving registered investment company governance and industry practices; (ii) select and nominate candidates for appointment or election to serve as Trustees who are not “interested persons” of the Trust or its Sub-Advisor or distributor (as defined by the 1940 Act); and (iii) advise the Board of Trustees on ways to improve its effectiveness. All of the Independent Trustees serve on the Nominating Committee. As stated above, each Trustee holds office for an indefinite term until the occurrence of certain events. In filling Board vacancies, the Nominating Committee will consider nominees recommended by Fund shareholders. Nominee recommendations should be submitted to the Trust at its mailing address stated in the Fund’s Prospectus and should be directed to the attention of the Trust’s Nominating Committee. The Trust’s Nominating Committee is comprised of all Independent Trustees of the Trust. During the fiscal year ended June 30, 2025, the Nominating Committee met one time.

### **Individual Trustee Qualifications**

The Trust has concluded that each Trustee should serve on the Board because of his ability to review and understand information about the Trust and the Funds provided to him by management, to identify and request other information he may deem relevant to the performance of his duties, to question management and other service providers regarding material factors bearing on the management and administration of the Funds, and to exercise his business judgment in a manner that serves the best interests of the Funds and their shareholders. The Trust has concluded that each of the Trustees should serve as a Trustee based on their own experience, qualifications, attributes, and skills as described below.

The Trust has concluded that Don Schreiber, Jr. should serve as chairman and trustee of the Funds because of the experience he has gained as Chief Executive Officer of each of the Advisor, Sub-Advisor, and Hartshorne Group, and his general knowledge of and experience in the financial services industry.

The Trust has concluded that John A. Flanagan should serve as trustee of the Funds and as the audit committee financial expert because of the experience he has gained as a certified public accountant licensed to practice in New Jersey, New York, and Massachusetts, including employment with Ernst & Young, PricewaterhouseCoopers, Strong Mutual Funds, and the New York Life family of Mutual Funds, and his experience with mutual funds and exchange-traded funds, including those of MacroMarkets LLC.

The Trust has concluded that Jude T. Depko should serve as trustee of the Funds because of the operational and coordination experience he has gained as technical consultant for Michael Baker Jr., Inc. and as Director of Operations and Principal Traffic Engineer for the New Jersey Turnpike Authority.

The Trust has concluded that Andrew Putterman should serve as trustee of the Fund because of the experience he has gained as Principal of 1812 Park, LLC, Chairman Emeritus, Chief Executive Officer and President of Fortigent LLC, and service as a director of Princeton Private Equity Fund and The Private Trust Company, as well as his extensive experience in the financial industry.

The Trust has concluded that Matthew Schreiber should serve as trustee of the Funds because of the experience he has gained as Vice President, President, and Co-Chief Executive Officer of the Sub-Advisor, and his general knowledge of and experience in investment management.

### **Trustee Ownership of Fund Shares and Other Interests**

The following table shows the amount of equity securities owned in each Fund by the Trustees as of December 31, 2024.

<b>Dollar Range of Equity Securities Owned:</b>	<b>Interested Trustees:</b>		<b>Non-Interested Trustees:</b>		
	<b>Don Schreiber, Jr.</b>	<b>Matthew Schreiber</b>	<b>Jude T. Depko</b>	<b>John A. Flanagan</b>	<b>Andrew Putterman</b>
WBI BullBear Value 3000 ETF	More than \$100,000	\$10,001 - \$50,000	\$10,001 - \$50,000	\$0	\$0
WBI BullBear Yield 3000 ETF	More than \$100,000	\$10,001 - \$50,000	\$10,001 - \$50,000	\$0	\$0
WBI BullBear Quality 3000 ETF	More than \$100,000	\$1-\$10,000	\$10,001 - \$50,000	\$0	\$0
WBI Power Factor® High Dividend ETF	More than \$100,000	\$50,001 - \$100,000	\$10,001 - \$50,000	\$0	\$0
WBI BullBear Trend Switch US 1000 ETF <sup>1</sup>	\$0	\$0	\$0	\$0	\$0
WBI BullBear Trend Switch US 2000 ETF <sup>1</sup>	\$0	\$0	\$0	\$0	\$0
WBI BullBear Trend Switch US 1000 Total Return ETF <sup>1</sup>	\$0	\$0	\$0	\$0	\$0
WBI BullBear Trend Switch US 2000 Total Return ETF <sup>1</sup>	\$0	\$0	\$0	\$0	\$0
Aggregate Dollar Range of Equity Securities	More than \$100,000	More than \$100,000	\$50,001 - \$100,000	\$0	\$0

1. As of the date of this SAI, the Fund has not commenced operations and, therefore no Trustee or officer of the Trust owned Shares.

As of June 30, 2025, neither the Independent Trustees nor members of their immediate family, own securities beneficially or of record in the Advisor, Sub-Advisor and the Distributor, as defined below, or an affiliate of the Advisor, Sub-Advisor or the Distributor. Accordingly, neither the Independent Trustees nor members of their immediate family, have direct or indirect interest, the value of which exceeds \$120,000, in the Advisor, Sub-Advisor, the Distributor, or any of their affiliates.

### Board Compensation

Each Independent Trustee receives an annual stipend of \$3,000 annually per Fund and reimbursement for all reasonable travel expenses relating to their attendance at the Board Meetings. The chairman of the Audit Committee and Governance and Nominating each receive an annual stipend of \$5,000, and each Independent Trustee serving on the Audit Committee receives an annual stipend of \$2,500 and each Independent Trustee serving on the Governance and Nominating Committee (except the chairman thereof) receives an annual stipend of \$5,000. Interested Trustees are not compensated for their service as Trustees or as members of Board committees. The following tables show the compensation earned by each Trustee for the Fund for the fiscal year ended June 30, 2025:

Aggregate Compensation From Each Fund	Interested Trustees:		Non-Interested Trustees:		
	Don Schreiber, Jr.	Matthew Schreiber	Jude T. Depko	John A. Flanagan	Andrew Putterman
WBI BullBear Value 3000 ETF	\$0	\$0	\$8,750	\$10,000	\$8,750
WBI BullBear Yield 3000 ETF	\$0	\$0	\$8,750	\$10,000	\$8,750
WBI BullBear Quality 3000 ETF	\$0	\$0	\$8,750	\$10,000	\$8,750
WBI Power Factor® High Dividend ETF	\$0	\$0	\$8,750	\$10,000	\$8,750
WBI BullBear Trend Switch US 1000 ETF +	\$0	\$0	\$0	\$0	\$0
WBI BullBear Trend Switch US 2000 ETF +	\$0	\$0	\$0	\$0	\$0
WBI BullBear Trend Switch US 1000 Total Return ETF +	\$0	\$0	\$0	\$0	\$0
WBI BullBear Trend Switch US 2000 Total Return ETF +	\$0	\$0	\$0	\$0	\$0
Total Compensation From Fund Complex Paid to Trustees	\$0	\$0	\$35,000	\$40,000	\$35,000

+ The Fund had not yet commenced operations as of June 30, 2025.

### Code of Ethics

The Trust, its Advisor, its Sub-Advisor, and Vigilant Distributors, LLC, have each adopted codes of ethics under Rule 17j-1 of the 1940 Act that permit personnel subject to their particular codes of ethics to invest in securities, including securities that may be purchased or held by the Funds.

### PROXY VOTING POLICIES AND PROCEDURES

The Board has adopted Proxy Voting Policies and Procedures (the “Policies”) on behalf of the Trust which delegate the responsibility for voting proxies to the Sub-Advisor, subject to the Board’s continuing oversight. The Policies require that the Sub-Advisor vote proxies received in a manner consistent with the best interests of each Fund and its shareholders. The Policies also

require the Sub-Advisor to present to the Board, at least annually, the Sub-Advisor's Policies and a record of each proxy involving a conflict of interest for the Sub-Advisor and how the conflict of interest was resolved with respect to voting of each proxy.

The Sub-Advisor has adopted Proxy Voting Policies and Procedures ("**Proxy Voting Policies**") that provide that proxies on securities will be voted for the exclusive benefit, and in the best economic interest of, Fund shareholders, as determined by the Sub-Advisor in good faith, subject to any restrictions or directions of the Fund. Such voting responsibilities will be exercised in a manner that is consistent with the general anti-fraud provisions of the Investment Advisers Act of 1940, as amended, as well as the Sub-Advisor's fiduciary duties under federal and state law to act in the best interest of its clients.

The Sub-Advisor has engaged Broadridge, an unbiased third party proxy voting service, to receive and review proxy voting statements, provide information and research, make proxy voting recommendations, and handle the administrative functions associated with the voting of proxies. The Sub-Advisor will generally vote proxies in accordance with these recommendations, but reserves the right to exercise its own judgment on a case-by-case basis. If the Sub-Advisor determines that voting a particular proxy would create a material conflict of interest between its interest or the interests of any of its affiliated parties and the interests of the Fund, the Sub-Advisor will vote such proxy based upon the recommendations of the independent third party proxy voting service. The Sub-Advisor's Chief Compliance Officer is ultimately responsible for ensuring that all proxies received by the Sub-Advisor are voted in a timely manner and in a manner consistent with the Sub-Advisor's determination of the client's best interests. Although many proxy proposals may be voted in accordance with the guidelines established in these Proxy Voting Policies, some proposals require special consideration which may dictate an exception to the policies and procedures.

The Trust is required to file a Form N-PX, with each Fund's complete proxy voting record for the 12 months ended June 30, no later than August 31 of each year. Each Fund's proxy voting record is available without charge, upon request, by calling toll-free (855) WBI-ETFS or (855) 924-3837, on the Trust's website at <https://wbietfs.com/documents/>, effective August 2024, and on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **CONTROL PERSONS AND PRINCIPAL SHAREHOLDERS OF SECURITIES**

A principal shareholder is any person who owns of record or beneficially 5% or more of the outstanding shares of a Fund. A control person is one who owns beneficially or through controlled companies more than 25% of the voting securities of a company or acknowledges the existence of control. Shareholders with a controlling interest could affect the outcome of voting or the direction of management of a Fund. As of September 30, 2025, the Trustees and officers of the Trust, as a group, owned less than 1% of the Shares of each Fund. As of September 30, 2025, the following shareholders were each considered to be a principal shareholder of the applicable Fund(s):

**WBI BullBear Value 3000 ETF**

<b>Name and Address</b>	<b>% Ownership</b>	<b>Parent Company</b>	<b>Jurisdiction of Organization</b>	<b>Ownership Type</b>
Pershing LLC P.O. Box 2052 Jersey City, NJ 07303-2052	73.08%	Pershing LLC	NJ	Record
Bank of America Four World Financial Center 250 Vesey Street New York, NY 10281	8.37%	N/A	N/A	Record
LPL Financial 75 State Street, 22nd Floor Boston, MA 02109	5.86%	N/A	N/A	Record

**WBI BullBear Yield 3000 ETF**

<b>Name and Address</b>	<b>% Ownership</b>	<b>Parent Company</b>	<b>Jurisdiction of Organization</b>	<b>Ownership Type</b>
Pershing LLC P.O. Box 2052 Jersey City, NJ 07303-2052	81.03%	Pershing LLC	NJ	Record
LPL Financial 75 State Street, 22nd Floor Boston, MA 02109	6.50%	N/A	N/A	Record

**WBI BullBear Quality 3000 ETF**

<b>Name and Address</b>	<b>% Ownership</b>	<b>Parent Company</b>	<b>Jurisdiction of Organization</b>	<b>Ownership Type</b>
Pershing LLC P.O. Box 2052 Jersey City, NJ 07303-2052	78.40%	Pershing LLC	NJ	Record
LPL Financial 75 State Street, 22nd Floor Boston, MA 02109	5.70%	N/A	N/A	Record

**WBI Power Factor® High Dividend ETF**

<b>Name and Address</b>	<b>% Ownership</b>	<b>Parent Company</b>	<b>Jurisdiction of Organization</b>	<b>Ownership Type</b>
Pershing LLC P.O. Box 2052 Jersey City, NJ 07303-2052	52.20%	Pershing LLC	NJ	Record
LPL Financial 75 State Street, 22nd Floor Boston, MA 02109	16.97%	N/A	N/A	Record
Charles Schwab & Co., Inc. 211 Main Street San Francisco, CA 94105-1905	8.76%	N/A	N/A	Record

**MANAGEMENT SERVICES**

The following information supplements and should be read in conjunction with the section in the Prospectus entitled “Management.”

**Advisor and Sub-Advisor**

Millington Securities, LLC acts as investment advisor to the Funds pursuant to investment advisory agreements (each, an “**Advisory Agreement**”) with the Trust. Millington Securities, LLC is a registered investment advisor. Don Schreiber, Jr., a co-portfolio manager of the Funds, is the Chief Executive Officer of the Advisor and is therefore a control person of the Advisor.

WBI Investments, LLC is an affiliate of Millington Securities, LLC and acts as the “**Sub-Advisor**” to the Funds pursuant to sub-advisory agreements (each, a “**Sub-Advisory Agreement**”). Don Schreiber, Jr. founded the Sub-Advisor in 1984 and serves as its Co-Chief Executive Officer and is therefore a control person of the Sub-Advisor.

After their initial two year term, both the Advisory Agreements and the Sub-Advisory Agreements continue in effect for successive annual periods so long as such continuation is specifically approved at least annually by the vote of (1) the Board (or a majority of the outstanding shares of the Funds), and (2) a majority of the Trustees who are not interested persons of any party to the Advisory Agreements or the Sub-Advisory Agreements, in each case, cast in person at a meeting called for the purpose of voting on such approval. The Advisory Agreements and the Sub-Advisory Agreements may be terminated at any time, without penalty, by either party to the Advisory Agreements or the Sub-Advisory Agreements upon a 60-day written notice and is automatically terminated in the event of its “assignment,” as defined in the 1940 Act.

In consideration of the services provided by the Sub-Advisor pursuant to the Sub-Advisory Agreements, the Sub-Advisor is entitled to receive from each Fund a management fee, computed daily and payable monthly, based on a rate set forth in the table below, of each Fund’s average daily net assets. The Advisor has delegated the Sub-Advisor to receive such fee directly from the Funds. The Advisor is paid 0.04% of each Fund’s average daily net assets (calculated daily and paid monthly) from the management fees collected by the Sub-Advisor.

<b>Fund</b>	<b>Investment Advisory Fee</b>
WBI BullBear Value 3000 ETF	0.85%*
WBI BullBear Yield 3000 ETF	0.85%*

<b>Fund</b>	<b>Investment Advisory Fee</b>
WBI BullBear Quality 3000 ETF	0.85%*
WBI Power Factor® High Dividend ETF	0.55%*
WBI BullBear Trend Switch US 1000 ETF +	0.65%
WBI BullBear Trend Switch US 2000 ETF +	0.65%
WBI BullBear Trend Switch US 1000 Total Return ETF +	0.65%
WBI BullBear Trend Switch US 2000 Total Return ETF +	0.65%

\* Subject to the Expense Limitation Agreement.

+ The Fund had not yet commenced operations as of June 30, 2025.

### **Fund Expenses (Funds other than the Trend Switch Funds)**

In addition to the management fees payable to the Sub-Advisor, the WBI BullBear Value 3000 ETF, WBI BullBear Yield 3000 ETF, WBI BullBear Quality 3000 ETF, and WBI Power Factor® High Dividend ETF are responsible for their own operating expenses, including: fees and expenses incurred in connection with the issuance, registration, and transfer of its Shares; brokerage and commission expenses; all expenses of transfer, receipt, safekeeping, servicing, and accounting for the cash, securities, and other property of the Trust for the benefit of the applicable Fund, including all fees and expenses of its custodian and accounting services agent; interest charges on any borrowings; costs and expenses of pricing and calculating its daily NAV per share and of maintaining its books of account required under the 1940 Act; taxes, if any; a pro rata portion of expenditures in connection with meetings of the Funds' shareholders and the Board that are properly payable by the Funds; salaries and expenses of officers and fees and expenses of members of the Board or members of any advisory board or committee who are not members of, affiliated with, or interested persons of the Advisor, the Sub-Advisor, or the Administrator; insurance premiums on property or personnel of the Funds which inure to their benefit, including liability and fidelity bond insurance; the cost of preparing and printing reports, proxy statements, prospectuses, and the SAI of the Funds or other communications for distribution to existing shareholders; legal counsel, auditing, and accounting fees; trade association membership dues (including membership dues, such as if the Trust becomes a member of the Investment Company Institute, dues allocable to each Fund); fees and expenses (including legal fees) of registering and maintaining registration of its Shares for sale under federal and applicable state and foreign securities laws; all expenses of maintaining shareholder accounts, including all charges for transfer, shareholder recordkeeping, dividend disbursing, redemption, and other agents for the benefit of each Fund, if any; and all other charges and costs of its operation plus any extraordinary and non-recurring expenses, except as otherwise prescribed in the applicable Advisory Agreement and the applicable Sub-Advisory Agreement.

### **Expense Limitation Agreement**

The Sub-Advisor has entered into an Expense Limitation Agreement with the Funds other than the Trend Switch Funds under which it has agreed to waive or reduce its fees and to assume other expenses of each such Fund, if necessary, in an amount that limits "Total Annual Fund Operating Expenses" (exclusive of interest, taxes, brokerage commissions, acquired fund fees, dividend payments on short sales, other expenditures which are capitalized in accordance with generally accepted accounting principles, other extraordinary expenses not incurred in the ordinary course of a Fund's business, and amounts, if any, payable pursuant to a plan adopted in accordance with Rule 12b-1 under the Investment Company Act of 1940), and organizational costs ("**Operating Expenses**") to not more than 1.70% of the average daily net assets for each of the

WBI BullBear Value 3000 ETF, WBI BullBear Yield 3000 ETF, and WBI BullBear Quality 3000 ETF for the fiscal year and 1.00% of the average daily net assets for the WBI Power Factor® High Dividend ETF for the fiscal year.

The Sub-Advisor currently expects that the contractual agreement will continue from fiscal year-to-fiscal year, provided such continuance is approved by the Board on behalf of the applicable Funds. A Fund may terminate the Expense Limitation Agreement at any time. The Sub-Advisor may also terminate the Expense Limitation Agreement in respect of any Fund at the end of the then-current term upon not less than 90 days' notice to the applicable Fund. The terms of the Expense Limitation Agreement may be revised upon renewal. The Sub-Advisor is permitted to recoup from a Fund previously waived fees or reimbursed expenses for three years from the fiscal year in which fees were waived or expenses reimbursed, as long as such recoupment does not cause such Fund's operating expenses to exceed the then applicable expense cap in place either at the time of recoupment or the time such fees were waived or expenses were reimbursed.

#### **Unitary Fee Arrangement (Trend Switch Funds only)**

Under the Trend Switch Funds' Advisory Agreement, the Advisor has agreed to pay or will cause its affiliated Sub-Advisor to pay, all of the expenses of each Fund, except for: the fee payment under the Trend Switch Funds' Advisory Agreement, payments under each Fund's 12b-1 plan, brokerage expenses, acquired fund fees and expenses, taxes, interest (including borrowing costs and dividend expenses on securities sold short), compensation and expenses of the independent Trustees (including independent Trustee counsel fees), litigation expenses, and other extraordinary expenses (including litigation to which the Trust or a Trend Switch Fund may be a party and indemnification of the Trustees and officers with respect thereto). The foregoing arrangement is referred to as a "unitary" fee arrangement.

The expenses of the Trend Switch Funds, which are subject to the unitary fee arrangement under the Trend Switch Funds' Advisory Agreement, include, but are not limited to: salaries, expenses, and fees of the Trustees and officers of the Trust who are officers, directors/trustees, partners, or employees of the Advisor or its affiliates; any assumption of expense of the Trust by the Advisor; the costs of preparing, setting in type, printing and mailing of prospectuses, prospectus supplements, SAI, annual, semiannual, and periodic reports, and notices and proxy solicitation materials required to be furnished to shareholders of the Trust or regulatory authorities, and all tax returns; all legal and other fees and expenses incurred in connection with the affairs of the Trust, including those incurred with respect to registering its shares with regulatory authorities and all fees and expenses incurred in connection with the preparation, setting in type, printing, and filing with necessary regulatory authorities of any registration statement and prospectus, and any amendments or supplements that may be made from time to time, including registration, filing and other fees in connection with requirements of regulatory authorities; all expenses of the transfer, receipt, safekeeping, servicing and accounting for the Trust's cash, securities, and other property, including all charges of depositories, custodians, and other agents, if any; the charges for the services and expenses of the independent accountants and legal counsel retained by the Trust, for itself; the charges and expenses of maintaining shareholder accounts, including all charges of transfer, bookkeeping, and dividend disbursing agents appointed by the Trust; any membership fees, dues or expenses incurred in connection with the Trust's membership in any trade association or similar organizations, as approved by the Trustees; all insurance premiums for fidelity and other coverage, as approved by the Trustees; all expenses incidental to holding shareholders and Trustees meetings, including the printing of notices and proxy materials and proxy solicitation fees and expenses; and all expenses of pricing of the net

asset value per share of each Fund, including the cost of any equipment or services to obtain price quotations.

### Management Fees Paid

The management fees paid to the Sub-Advisor and the amount of any advisory fees waived or expenses reimbursed pursuant to the Expense Limitation Agreement are indicated for the fiscal periods in the tables below. The Future Funds had not yet commenced operations as of June 30, 2025, and consequently, are not included in the tables below.

#### Fiscal Year Ended June 30, 2025

Fund	Gross Management Fees Earned	Fees Waived/ Expenses Reimbursed	Net Management Fees Paid
WBI BullBear Value 3000 ETF	\$265,581	\$0	\$265,581
WBI BullBear Yield 3000 ETF	\$332,702	\$0	\$332,702
WBI BullBear Quality 3000 ETF	\$316,287	\$0	\$316,287
WBI Power Factor® High Dividend ETF	\$329,062	\$0	\$329,062

#### Fiscal Year Ended June 30, 2024

Fund	Gross Management Fees Earned	Fees Waived/ Expenses Reimbursed	Net Management Fees Paid
WBI BullBear Value 3000 ETF	\$324,475	\$0	\$324,475
WBI BullBear Yield 3000 ETF	\$427,324	\$0	\$427,324
WBI BullBear Quality 3000 ETF	\$361,806	\$0	\$361,806
WBI Power Factor® High Dividend ETF	\$326,077	\$0	\$326,077

#### Fiscal Year Ended June 30, 2023

Fund	Gross Management Fees Earned	Fees Waived/ Expenses Reimbursed	Net Management Fees Paid
WBI BullBear Value 3000 ETF	\$349,006	\$(163,249)	\$185,757
WBI BullBear Yield 3000 ETF	\$470,111	\$(110,851)	\$359,259
WBI BullBear Quality 3000 ETF	\$348,695	\$(165,942)	\$182,753
WBI Power Factor® High Dividend ETF	\$400,910	\$(219,678)	\$181,233

### Portfolio Managers

The portfolio managers responsible for the day-to-day management of the Funds are Mr. Don Schreiber, Jr., Founder and Co-Chief Executive Officer of the Sub-Advisor, and Matthew Schreiber, Co-Chief Executive Officer of the Sub-Advisor.

### Other Accounts Managed

The following table provides additional information about other portfolios or accounts managed by the Funds' portfolio managers as of June 30, 2025. Total number of other accounts managed by the portfolio managers within each category below and the total assets in the accounts managed within each category below.

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets (\$mm)	Number of Accounts	Total Assets (\$mm)	Number of Accounts	Total Assets (\$mm)
Matthew Schreiber	0	\$0	0	\$0	1,398*	\$375
Don Schreiber, Jr.	0	\$0	0	\$0	1,398*	\$375

\* A portion of the separately managed accounts are invested in the Funds. As of June 30, 2025, these accounts have an approximate total asset value of \$105 million in the Funds. None of the accounts managed by the portfolio managers pay performance fees.

### Material Conflicts of Interest

Don Schreiber, Jr., and Matthew Schreiber also manage separate accounts for advisory clients (“SMA Clients”) of the Sub-Advisor, other Funds in the Trust. There is a potential conflict with managing multiple SMA Client accounts and the Funds, including conflicts among the investment strategies and trade allocations to the accounts and the Funds. The intention of the Sub-Advisor is to treat the various accounts fairly. The Sub-Advisor may combine or aggregate orders for SMA Clients and the Funds, in an effort to obtain best execution, to negotiate more favorable commission rates, or to equitably allocate among the Sub-Advisor’s SMA Clients and the Funds improvements in price and transaction fees or other transaction costs that might not have been obtained had such orders been placed independently. If the Sub-Advisor combines or aggregates client orders, for those client accounts included in the combined or aggregated orders, transactions for relevant client accounts will be averaged as to price and will be allocated among the relevant client accounts in proportion to the purchase (or sale) orders placed for each relevant client account.

### Compensation

Compensation paid to Don Schreiber, Jr. and Matthew Schreiber, in their capacity as portfolio managers of the Funds, is not tied directly to performance of the Funds. The portfolio managers receive a fixed base salary and are eligible to receive an annual discretionary bonus. Base salary compensation is reviewed annually. Discretionary compensation may include consideration of Sub-Advisor financial results, expense control, profit margins, strategic planning and implementation, quality of client service, market share, corporate reputation, compliance and risk control, leadership and innovation. These factors are considered collectively by executive management of the Sub-Advisor. A portfolio manager's aggregate salary compensation is designed to be competitive with the marketplace and further, to reflect the portfolio manager's relative experience and contribution to the Sub-Advisor. As shareholder of the parent company of the Advisor and shareholder of the Sub-Advisor, Mr. Schreiber may also benefit economically from any profits generated by the Advisor and Sub-Advisor.

### Ownership of Securities

As of June 30, 2025, the dollar range of equity securities in the Funds beneficially owned by the Portfolio Managers were as follows:

<b>Fund</b>	<b>Don Schreiber, Jr.</b>	<b>Matthew Schreiber</b>
WBI BullBear Value 3000 ETF	\$10,001 - \$50,000	\$10,001 - \$50,000
WBI BullBear Yield 3000 ETF	\$10,001 - \$50,000	\$10,001 - \$50,000
WBI BullBear Quality 3000 ETF	\$10,001 - \$50,000	\$10,001 - \$50,000
WBI Power Factor® High Dividend ETF	\$50,001 - \$100,000	\$10,001 - \$50,000

The Future Funds had not yet commenced operations as of June 30, 2025, and therefore no Portfolio Managers owned Shares.

## **OTHER SERVICE PROVIDERS**

### **Fund Administrator, Custodian, Transfer Agent and Securities Lending Agent**

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services (“**Fund Services**”), 615 East Michigan Street, Milwaukee, Wisconsin 53202, serves as administrator, transfer agent and index, receipt agent. Pursuant to a Fund Administration Servicing Agreement and a Fund Accounting Servicing Agreement between the Trust and Fund Services, Fund Services provides the Trust with administrative and management services (other than investment advisory services), and accounting services, including portfolio accounting services, tax accounting services, and furnishing financial reports. In this capacity, Fund Services does not have any responsibility or authority for the management of the Funds, the determination of investment policy, or for any matter pertaining to the distribution of Funds’ Shares. As compensation for the administration, accounting, and management services, the Sub-Advisor pays Fund Services a fee based on each Fund’s average daily net assets, subject to a minimum annual fee, as well as certain out-of-pocket expenses, including pricing expenses.

Pursuant to a Custody Agreement, U.S. Bank National Association, 1555 North Rivercenter Drive, Suite 302, Milwaukee, Wisconsin 53212, serves as the custodian of the Funds’ assets. The custodian holds and administers Fund assets. Pursuant to the Custody Agreement, the custodian receives an annual fee from the Sub-Advisor based on the Trust’s total average daily net assets, subject to a minimum annual fee, and certain settlement charges. The custodian also is entitled to certain out-of-pocket expenses.

For the three most recent fiscal periods ended June 30, the Funds paid the fees in the table below to Fund Services and U.S. Bank National Association for administration, fund accounting, and custodian services. The Future Funds had not yet commenced operations as of June 30, 2025, and consequently, are not included in the table below.

<b>Fund</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
WBI BullBear Value 3000 ETF	\$87,372	\$106,353	\$171,583
WBI BullBear Yield 3000 ETF	\$88,772	\$106,354	\$172,519
WBI BullBear Quality 3000 ETF	\$88,122	\$106,164	\$171,788
WBI Power Factor® High Dividend ETF	\$85,689	\$107,473	\$173,162

The Funds’ securities lending agent is U.S. Bank National Association, the Funds’ custodian. U.S. Bank receives a fee for its services as securities lending agent. Some of U.S. Bank’s services may be delegated to U.S. Bancorp Asset Management, Inc., an affiliate of the Funds’ custodian, transfer agent, and administrator. Investments of the cash collateral received from

borrowers of the Funds' securities are made by U.S. Bancorp Asset Management, Inc. in accordance with applicable guidelines.

### Securities Lending Activities

U.S. Bank (the "**Securities Lending Agent**") serves as securities lending agent to the Fund. The Securities Lending Agent is responsible for the implementation and administration of the Fund's securities lending program pursuant to an agreement between the Trust, on behalf of the Fund, and the Securities Lending Agent (the "**Securities Lending Agreement**"). The Securities Lending Agent acts as agent to the Fund to lend available securities with any person on the Securities Lending Agent's list of approved borrowers and (i) determines whether a loan shall be made and negotiates and establishes the terms and conditions of the loan with the borrower; (ii) ensures that all substitute interest, dividends, and other distributions paid with respect to loan securities is credited to the Fund's relevant account on the date such amounts are delivered by the borrower to the Securities Lending Agent; (iii) receives and holds, on the Fund's behalf, collateral from borrowers to secure obligations of borrowers with respect to any loan of available securities; (iv) marks loaned securities and collateral to their market value each business day based upon the market value of the loaned securities and collateral at the close of business employing the most recently available pricing information and receives and delivers collateral to maintain the value of the collateral at no less than 100% of the market value of the loaned securities; (v) at the termination of a loan, returns the collateral to the borrower upon the return of the loaned securities to the Securities Lending Agent; (vi) invests cash collateral in accordance with the Securities Lending Agreement; and (viii) maintains such records as are reasonably necessary to account for loans that are made and the income derived therefrom and makes available to the Fund a monthly statement describing the loans outstanding, including an accounting of all securities lending transactions.

The dollar amounts of gross and net income from securities lending activities received and the related fees and/or compensation paid by the Fund during the period in which securities lending activities commenced through June 30, 2025 are set forth in the following table.

	<b>WBI BullBear Value 3000 ETF</b>	<b>WBI BullBear Yield 3000 ETF</b>
<b>Gross income from securities lending activities</b> (including income from cash collateral reinvestment)	\$168,235	\$173,709
<i>Fees and/or compensation for securities lending activities and related services</i>		
Fees paid to securities lending agent from a revenue split	(\$1,487)	(\$1,618)
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	(\$1,043)	(\$1,062)
Administrative fees not included in revenue split	\$0	\$0
Indemnification fee not included in revenue split	\$0	\$0
Rebate (paid to borrower)	(\$161,244)	(\$166,173)
Other fees not included in revenue split		
<b>Aggregate fees/compensation for securities lending activities</b>	(\$163,774)	(\$168,854)
<b>Net Income from securities lending activities</b>	<b>\$4,461</b>	<b>\$4,855</b>

	<b>WBI BullBear Quality 3000 ETF</b>	<b>WBI Power Factor® High Dividend ETF</b>
<b>Gross Income from securities lending activities</b> (including income from cash collateral reinvestment)	\$217,791	\$629,909
<i>Fees and/or compensation for securities lending activities and related services</i>		
Fees paid to securities lending agent from a revenue split	(\$2,541)	(\$5,908)
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	(\$1,359)	(\$3,942)
Administrative fees not included in revenue split	\$0	\$0
Indemnification fee not included in revenue split	\$0	\$0
Rebate (paid to borrower)	(\$206,265)	(\$602,334)
Other fees not included in revenue split		
<b>Aggregate fees/compensation for securities lending activities</b>	(\$210,165)	(\$612,185)
<b>Net Income from securities lending activities</b>	<b>\$7,626</b>	<b>\$17,724</b>

### **Distributor**

Vigilant Distributors, LLC (“**Vigilant**”), the Distributor, is located at Gateway Corporate Center, 223 Wilmington West Chester Pike, Suite 216, Chadds Ford, PA 19317. The Distributor is a broker-dealer registered under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and a member of the Financial Industry Regulatory Authority, Inc. (“**FINRA**”).

Shares will be continuously offered for sale by the Trust through the Distributor only in whole Creation Units, as described in the section of this SAI entitled “Purchase and Redemption of Creation Units.” The Distributor also acts as an agent for the Trust. The Distributor will deliver a prospectus to persons purchasing Shares in Creation Units and will maintain records of both orders placed with it and confirmations of acceptance furnished by it. The Distributor has no role in determining the investment policies of the Funds or which securities are to be purchased or sold by the Funds.

### **Independent Registered Public Accounting Firm**

The Trustees have selected the firm of KPMG LLP, 150 John F Kennedy Parkway, Short Hills, NJ, 07078, to serve as independent registered public accounting firm for the Funds for the current fiscal year and to audit the annual financial statements of the Funds, prepare the Funds’ federal, state, and excise tax returns, and consult with the Funds on matters of accounting and federal and state income taxation. The independent registered public accounting firm will audit the financial statements of the Funds at least once each year. Shareholders may access online an annual audited report (the “**Annual Report**”) when published, and a semi-annual, unaudited report when published. A copy of the most recent Annual Report will accompany the SAI whenever a shareholder or a prospective investor requests it.

### **Legal Counsel**

Seward & Kissel LLP, One Battery Park Plaza, New York, NY 10004, serves as legal counsel to the Trust and the Independent Trustees of the Board.

## **PORTFOLIO TRANSACTIONS AND BROKERAGE**

Pursuant to the Sub-Advisory Agreement, the Sub-Advisor determines which securities are to be purchased and sold by the Funds and which broker-dealers are eligible to execute the Funds' portfolio transactions. Broker-dealers selected for execution by the Sub-Advisor may receive a brokerage commission or other compensation for transactions effected for a Fund. All executions of Fund trades are subject to best execution regulations and are reviewed by the Board annually and may be reviewed more frequently as deemed necessary by the Board.

Purchases of portfolio securities for the Funds also may be made directly from issuers or from underwriters. Purchases from underwriters will include a concession paid by the issuer to the underwriter and purchases from dealers will include the spread between the bid and the asked price. If the execution and price offered by more than one dealer or underwriter are comparable, the order may be allocated to a dealer or underwriter that has provided research or other services as discussed below.

In placing portfolio transactions, the Sub-Advisor will seek best execution. The full range and quality of services available will be considered in making these determinations, such as the size of the order, the difficulty of execution, the operational facilities of the firm involved, the firm's risk in positioning a block of securities, and other factors. In those instances where it is reasonably determined that more than one broker-dealer can offer the services needed to obtain the most favorable price and execution available, consideration may be given to those broker-dealers which furnish or supply research and statistical information to the Sub-Advisor that it may lawfully and appropriately use in its investment advisory capacities, as well as provide other services in addition to execution services. The Sub-Advisor considers such information, which is in addition to and not in lieu of the services required to be performed by it, to be useful in varying degrees, but of indeterminable value. Portfolio transactions may be placed with broker-dealers who sell shares of the Funds subject to rules adopted by FINRA and the SEC.

While it is the Funds' general policy to first seek to obtain the most favorable price and execution available in selecting a broker-dealer to execute portfolio transactions for the Funds, in accordance with Section 28(e) under the Securities Exchange Act of 1934, when it is determined that more than one broker can deliver best execution, weight is also given to the ability of a broker-dealer to furnish brokerage and research services to the Funds or to the Sub-Advisor, even if the specific services are not directly useful to the Funds and may be useful to the Sub-Advisor in advising other clients. In negotiating commissions with a broker or evaluating the spread to be paid to a dealer, the Funds may therefore pay a higher commission or spread than would be the case if no weight were given to the furnishing of these supplemental services, provided that the amount of such commission or spread has been determined in good faith by the Sub-Advisor to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer.

The practice of using a portion of a Fund's commission dollars to pay for brokerage and research services provided to the Sub-Advisor is sometimes referred to as "soft dollars". Section 28(e) is sometimes referred to as a "safe harbor", because it permits this practice, subject to a number of restrictions, including the Sub-Advisor's compliance with certain procedural requirements and limitations on the type of brokerage and research services that qualify for the safe harbor.

Research products and services may include, but are not limited to, general economic, political, business, and market information and reviews, industry and company information and reviews,

evaluations of securities and recommendations as to the purchase and sale of securities, financial data on a company or companies, performance and risk measuring services and analysis, stock price quotation services, computerized historical financial databases and related software, credit rating services, analysis of corporate responsibility issues, brokerage analysts' earnings estimates, computerized links to current market data, software dedicated to research, and portfolio modeling. Research services may be provided in the form of reports, computer-generated data feeds and other services, telephone contacts, and personal meetings with securities analysts, as well as in the form of meetings arranged with corporate officers and industry spokespersons, economists, academics, and governmental representatives. Brokerage products and services assist in the execution, clearance, and settlement of securities transactions, as well as functions incidental thereto, including but not limited to related communication and connectivity services and equipment, software related to order routing, market access, algorithmic trading, and other trading activities. On occasion, a broker-dealer may furnish the Sub-Advisor with a service that has a mixed use (that is, the service is used both for brokerage and research activities that are within the safe harbor and for other activities). In this case, the Sub-Advisor is required to reasonably allocate the cost of the service, so that any portion of the service that does not qualify for the safe harbor is paid for by the Sub-Advisor from its own funds, and not by portfolio commissions paid by the Fund.

Research products and services provided to the Sub-Advisor by broker-dealers that effect securities transactions for the Funds may be used by the Sub-Advisor in servicing all of its accounts. Accordingly, not all of these services will be used by the Sub-Advisor in connection with the Funds. Some of these products and services are also available to the Sub-Advisor for cash, and some do not have an explicit cost or determinable value. The research received does not reduce the advisory fees paid to the Sub-Advisor for services provided to the Funds. The Sub-Advisor's expenses would increase if the Sub-Advisor had to generate these research products and services through its own efforts, or if it paid for these products or services itself.

Investment decisions for the Funds are made independently from those of other client accounts managed or advised by the Sub-Advisor. Nevertheless, it is possible that at times identical securities will be acceptable for both the Funds and one or more of such client accounts, or other Funds in the Trust. In such event, the position of the Funds and such client account(s), or other Funds in the Trust in the same issuer may vary and the length of time that each may choose to hold its investment in the same issuer may likewise vary. However, to the extent any of these client accounts, or other Funds in the Trust, seek to acquire the same security as the Funds at the same time, each Fund may not be able to acquire as large a portion of such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Similarly, the Funds may not be able to obtain as high a price for, or as large an execution of, an order to sell any particular security at the same time.

The Funds are required to identify any securities of their "regular brokers or dealers" that the Funds have acquired during its most recent fiscal year. During the fiscal year ended June 30, 2025, the Funds did not acquire any such securities.

The Funds are also required to identify any brokerage transactions during their most recent fiscal year that were directed to a broker because of research services provided, along with the amount of any such transactions and any related commissions paid by the Funds. The following table shows the amount of any such transactions and related commission paid for research services for the fiscal year ended June 30, 2025:

<b>Fund</b>	<b>Commissions</b>	<b>Transactions</b>
WBI BullBear Value 3000 ETF	\$110,381	\$420,078,022
WBI BullBear Yield 3000 ETF	\$302,692	\$602,044,523
WBI BullBear Quality 3000 ETF	\$91,336	\$549,969,834
WBI Power Factor® High Dividend ETF	\$163,918	\$166,697,794

For the fiscal periods indicated below, the Funds paid the following aggregate dollar amount of brokerage commissions for Fund portfolio transactions. The Future Funds had not yet commenced operations as of June 30, 2025, and consequently, are not included in the table below.

<b>Fund</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
WBI BullBear Value 3000 ETF	\$110,381	\$186,160	\$181,722
WBI BullBear Yield 3000 ETF	\$302,692	\$235,597	\$337,668
WBI BullBear Quality 3000 ETF	\$91,336	\$132,319	\$118,556
WBI Power Factor® High Dividend ETF	\$163,918	\$187,567	\$214,682

### **Frequent Trading**

The Board has not adopted policies and procedures with respect to frequent purchases and redemptions of Shares by Fund shareholders (“**market timing**”). In determining not to adopt market timing policies and procedures, the Board noted that the Funds are expected to be attractive to active institutional and retail investors interested in buying and selling Shares on a short-term basis. In addition, the Board considered that, unlike traditional mutual funds, Shares can only be purchased and redeemed directly from a Fund in Creation Units by Authorized Participants, and that the vast majority of trading in Shares occurs on the Secondary Market. Because Secondary Market trades do not involve a Fund directly, it is unlikely those trades would cause many of the harmful effects of market timing, including dilution, disruption of portfolio management, increases in a Fund’s trading costs, and the realization of capital gains. With respect to trades directly with the Funds, to the extent effected in-kind (namely, for securities), those trades do not cause any of the harmful effects that may result from frequent cash trades. To the extent trades are effected in whole or in part in cash, the Board noted that those trades could result in dilution to a Fund and increased transaction costs (a Fund may impose higher transaction fees to offset these increased costs), which could negatively impact the Fund’s ability to achieve its investment objective. However, the Board noted that direct trading on a short-term basis by Authorized Participants is critical to ensuring that Shares trade at or close to NAV. Given this structure, the Board determined that it is not necessary to adopt market timing policies and procedures. Each Fund reserves the right to reject any purchase order at any time and reserves the right to impose restrictions on disruptive or excessive trading in Creation Units.

The Board has instructed the officers of the Trust to review reports of purchases and redemptions of Creation Units on a regular basis to determine if there is any unusual trading in the Funds. The officers of the Trust will report to the Board any such unusual trading in Creation Units that is disruptive to the Funds. In such event, the Board may reconsider its decision not to adopt market timing policies and procedures.

## **DISCLOSURE OF PORTFOLIO HOLDINGS**

The Trust has adopted a Portfolio Holdings Policy (the “**Disclosure Policy**”) designed to govern the disclosure of Fund portfolio holdings and the use of material non-public information about Fund holdings. The Disclosure Policy applies to all officers, employees, and agents of the Funds, including the Sub-Advisor. The Disclosure Policy is designed to ensure that the disclosure of information about each Fund’s portfolio holdings is consistent with applicable legal requirements and otherwise in the best interest of each Fund.

As ETFs, information about each Fund’s portfolio holdings is made available on a daily basis in accordance with the provisions of any Order of the SEC applicable to the Funds, regulations of the Funds’ listing Exchange and other applicable SEC regulations, orders, and no-action relief. Such information typically reflects all or a portion of a Fund’s anticipated portfolio holdings as of each Business Day (as defined below). This information is used in connection with the creation and redemption process and is disseminated on a daily basis through the facilities of the Exchange, the National Securities Clearing Corporation (“**NSCC**”), and/or third party service providers.

Each Fund will disclose on the Funds’ website [www.wbietfs.com](http://www.wbietfs.com) at the start of each Business Day the identities and quantities of the securities and other assets held by each Fund that will form the basis of the Fund’s calculation of its NAV on that Business Day. The portfolio holdings so disclosed will be based on information as of the close of business on the prior Business Day and/or trades that have been completed prior to the opening of business on that Business Day and that are expected to settle on the Business Day. Online disclosure of such holdings is publicly available at no charge.

Daily access to each Fund’s portfolio holdings is permitted to personnel of the Sub-Advisor, the Distributor, and the Funds’ administrator, custodian, and accountant and other agents or service providers of the trust who have need of such information in connection with the ordinary course of their respective duties to the Funds.

Each Fund will disclose its complete portfolio holdings schedule in public filings with the SEC on a quarterly basis, based on the Fund’s fiscal year, within sixty (60) days of the end of the quarter, and will provide that information to shareholders, as required by federal securities laws and regulations thereunder.

No person is authorized to disclose a Fund’s portfolio holdings or other investment positions except in accordance with the Policy. The Board reviews the implementation of the Policy on a periodic basis.

## **DISTRIBUTION AND SERVICE PLAN**

The Board has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act. In accordance with its Rule 12b-1 plan, each Fund is authorized to pay an amount up to 0.25% of its average daily net assets each year to finance activities primarily intended to result in the sale of Creation Units of each Fund or the provision of investor services. No Rule 12b-1 fees are currently paid by the Funds and there are no plans to impose these fees. However, in the event Rule 12b-1 fees are charged in the future, they will be paid out of the respective

Fund's assets, and over time these fees will increase the cost of your investment and they may cost you more than certain other types of sales charges.

Under the Service and Distribution Plan, and as required by Rule 12b-1, the Trustees will receive and review after the end of each calendar quarter a written report provided by the Distributor of the amounts expended under the Plan and the purpose for which such expenditures were made.

The Sub-Advisor and its affiliates may, out of their own resources, pay amounts to third parties for the distribution or marketing services on behalf of the Funds. The making of these payments could create a conflict of interest for a financial intermediary receiving such payments.

## **ADDITIONAL INFORMATION CONCERNING SHARES**

### **Organization and Description of Shares of Beneficial Interest**

The Trust is a Delaware statutory trust and registered investment company. The Trust was organized on November 7, 2013, and has authorized capital of an unlimited number of shares of beneficial interest of no par value that may be issued in more than one class or series.

Under Delaware law, the Trust is not required to hold an annual shareholders meeting if the 1940 Act does not require such a meeting. Generally, there will not be annual meetings of Trust shareholders. If requested by shareholders of at least 10% of the outstanding Shares of the Trust, the Trust will call a meeting of the Trust's shareholders for the purpose of voting upon the question of removal of a Trustee and will assist in communications with other Trust shareholders. Shareholders holding two-thirds of Shares outstanding may remove Trustees from office by votes cast at a meeting of Trust shareholders or by written consent.

All Shares will be freely transferable; provided, however, that Shares may not be redeemed individually, but only in Creation Units. The Shares will not have preemptive rights or cumulative voting rights, and none of the Shares will have any preference to conversion, exchange, dividends, retirements, liquidation, redemption, or any other feature. Shares have equal voting rights, except that only Shares of a specific Fund may be entitled to vote on a matter affecting that particular Fund. Trust shareholders are entitled to require the Trust to redeem Creation Units if such shareholders are Authorized Participants. The Declaration of Trust confers upon the Board the power, by resolution, to alter the number of Shares constituting a Creation Unit or to specify that Shares of the Trust may be individually redeemable. The Trust reserves the right to adjust the stock prices of Shares to maintain convenient trading ranges for investors. Any such adjustments would be accomplished through stock splits or reverse stock splits which would have no effect on the net assets of the Funds.

The Trust's Declaration of Trust disclaims liability of the shareholders or the officers of the Trust for acts or obligations of the Trust which are binding only on the assets and property of the Trust. The Declaration of Trust provides for indemnification by the Trust for all loss and expense of the Funds' shareholders held personally liable for the obligations of the Trust. The risk of a Trust's shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Funds themselves would not be able to meet the Trust's obligations and this risk should be considered remote. If a Fund does not grow to a size to permit it to be economically viable, the Fund may cease operations. In such an event, shareholders may be required to liquidate or transfer their Shares at an inopportune time and shareholders may lose money on their investment.

### **Book Entry Only System**

DTC will act as securities depository for the Shares. The Shares of the Fund are represented by global securities registered in the name of DTC or its nominee and deposited with, or on behalf of, DTC. Except as provided below, certificates will not be issued for Shares.

DTC has advised the Trust as follows: DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries). DTC was created to hold securities of its participants (the "**DTC Participants**") and to facilitate the clearance and settlement of securities transactions among the DTC Participants in such securities through electronic computerized book-entry transfers and pledges in accounts of DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, the NSCC, and Debt Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. More specifically, DTCC is owned by a number of its DTC Participants and by the NYSE Arca and FINRA.

Access to DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("**Indirect Participants**"). DTC agrees with and represents to DTC Participants that it will administer its book-entry system in accordance with its rules and bylaws and requirements of law. Beneficial ownership of Shares will be limited to DTC Participants, Indirect Participants, and persons holding interests through DTC Participants and Indirect Participants. Ownership of beneficial interests in Shares (owners of such beneficial interests are referred to herein as "**Beneficial Owners**") will be shown on, and the transfer of ownership will be effected only through, records maintained by DTC (with respect to DTC Participants) and on the records of DTC Participants (with respect to Indirect Participants and Beneficial Owners that are not DTC Participants). Beneficial Owners will receive from or through DTC Participant a written confirmation relating to their purchase of Shares. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability of certain investors to acquire beneficial interests in Shares.

Beneficial Owners of Shares will not be entitled to have Shares registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and are not considered the registered holders of the Shares. Accordingly, each Beneficial Owner must rely on the procedures of DTC, DTC Participants, and any Indirect Participants through which such Beneficial Owner holds its interests in order to exercise any rights of a holder of Shares. The Trust understands that under existing industry practice, in the event the Trust requests any action of holders of Shares, or a Beneficial Owner desires to take any action that DTC, as the record owner of all outstanding Shares, is entitled to take, DTC would authorize the DTC Participants to take such action and that the DTC Participants would authorize the Indirect Participants and Beneficial Owners acting through such DTC Participants to take such action and

would otherwise act upon the instructions of Beneficial Owners owning through them. DTC, through its nominee Cede & Co., is the record owner of all outstanding Shares.

Conveyance of all notices, statements, and other communications to Beneficial Owners will be effected as follows. DTC will make available to the Trust upon request and for a fee to be charged to the Trust a listing of Shares holdings of each DTC Participant. The Trust shall inquire of each such DTC Participant as to the number of Beneficial Owners holding Shares, directly or indirectly, through such DTC Participant. The Trust will provide each such DTC Participant with copies of such notice, statement, or other communication, in such form, number, and at such place as such DTC Participant may reasonably request, in order that such notice, statement, or communication may be transmitted by such DTC Participant, directly or indirectly, to such Beneficial Owners. In addition, the Trust shall pay to each such DTC Participant a fair and reasonable amount as reimbursement for the expenses attendant to such transmittal, all subject to applicable statutory and regulatory requirements. Beneficial Owners may wish to take certain steps to augment the transmission to them of notices of significant events with respect to Shares by providing their names and addresses to the DTC registrar and request that copies of notices be provided directly to them.

Distributions of Shares shall be made to DTC or its nominee, Cede & Co., as the registered holder of all Shares. DTC or its nominee, upon receipt of any such distributions, shall immediately credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in Shares as shown on the records of DTC or its nominee. Payments by DTC Participants to Indirect Participants and Beneficial Owners of Shares held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in a "street name," and will be the responsibility of such DTC Participants. The Trust has no responsibility or liability for any aspects of the records relating to or notices to Beneficial Owners, or payments made on account of beneficial ownership interests in such Shares, or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between DTC and the DTC Participants or the relationship between such DTC Participants and the Indirect Participants and Beneficial Owners owning through such DTC Participants.

DTC may determine to discontinue providing its service with respect to Shares at any time by giving reasonable notice to the Trust and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Trust shall take action either to find a replacement for DTC to perform its functions at a comparable cost or, if such a replacement is unavailable, to issue and deliver printed certificates representing ownership of Shares, unless the Trust makes other arrangements with respect thereto satisfactory to the Exchange.

DTC rules applicable to DTC Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

## **PURCHASE AND REDEMPTION OF CREATION UNITS**

### **Creation**

The Trust issues and sells Shares of each Fund only in Creation Units on a continuous basis on any Business Day through the Distributor at the Shares' NAV next determined after receipt of an order in proper form. The Distributor processes purchase orders only on a day that the Exchange

is open for trading (a “**Business Day**”). The Exchange is open for trading Monday through Friday except for the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Presidents Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

The consideration for purchase of Creation Units of each Fund generally consists of an in-kind deposit of a designated portfolio of securities – the **Deposit Securities** – for each Creation Unit constituting a substantial replication, or representation, of the securities included in the Fund’s portfolio as selected by the Sub-Advisor (“**Fund Securities**”) and an amount of cash – the **Cash Component** – computed as described below. Together, the Deposit Securities and the Cash Component constitute the “**Fund Deposit**,” which represents the minimum initial and subsequent investment amount for a Creation Unit of a Fund. The Cash Component is an amount equal to the difference between the NAV of the Shares (per Creation Unit) and an amount equal to the market value of the Deposit Securities (the “**Deposit Amount**”). If the Cash Component is a positive number (*i.e.*, the NAV per Creation Unit exceeds the Deposit Amount), the Authorized Participant will deliver the Cash Component. If the Cash Component is a negative number (*i.e.*, the NAV per Creation Unit is less than the Deposit Amount), the Authorized Participant will receive the Cash Component. The Cash Component serves to compensate the Trust or the Authorized Participant, as applicable, for any differences between the NAV per Creation Unit and the Deposit Securities.

In addition, the Trust reserves the right to permit or require the substitution of an amount of cash (that is a “cash in lieu” amount) to be added to the Cash Component to replace any Deposit Security which may not be available in sufficient quantity for delivery or that may not be eligible for transfer through the systems of DTC or the Clearing Process (discussed below) or for other similar reasons. The Trust also reserves the right to permit or require a “cash in lieu” amount where the delivery of Deposit Securities by the Authorized Participant (as described below) would be restricted under the securities laws or where delivery of Deposit Securities to the Authorized Participant would result in the disposition of Deposit Securities by the Authorized Participant becoming restricted under the securities laws, and in certain other situations.

The custodian through the NSCC (see the section of this SAI entitled “Purchase and Redemption of Creation Units—Creation—Procedures for Creation of Creation Units”), makes available on each Business Day, prior to the opening of business on the Exchange (currently 9:30 a.m. New York time), the list of the name and the required number of shares of each Deposit Security to be included in the current Fund Deposit (based on information at the end of the previous Business Day) for each Fund. This Fund Deposit is applicable, subject to any adjustments as described below, to orders to effect creations of Creation Units of a Fund until such time as the next-announced composition of the Deposit Securities is made available.

The identity and number of shares of the Deposit Securities required for a Fund Deposit for each Fund changes as rebalancing adjustments and corporate action events are reflected within the Fund from time to time by the Sub-Advisor, with a view to the investment objective of the Fund. In addition, the Trust reserves the right to permit the substitution of an amount of cash — *i.e.*, a “cash in lieu” amount — to be added to the Cash Component to replace any Deposit Security that may not be available in sufficient quantity for delivery or that may not be eligible for transfer through the systems of DTC or the Clearing Process (discussed below), or which might not be eligible for trading by an Authorized Participant (as defined below), or the investor for which it is acting, or other relevant reason.

In addition to the list of names and number of securities constituting the current Deposit Securities of a Fund Deposit, the custodian, through the NSCC, also makes available on each Business Day the estimated Cash Component, effective through and including the previous Business Day, per outstanding Creation Unit of each Fund.

#### **Procedures for Creation of Creation Units**

All orders to create Creation Units must be placed with the Distributor either (1) through Continuous Net Settlement System of the NSCC (“**Clearing Process**”), a clearing agency that is registered with the SEC, by a “Participating Party,” *i.e.*, a broker-dealer or other participant in the Clearing Process; or (2) outside the Clearing Process by a DTC Participant (see the section of this SAI entitled “Additional Information Concerning Shares — Book Entry Only System”). In each case, the Participating Party or the DTC Participant must have executed an agreement with the Distributor with respect to creations and redemptions of Creation Units (“**Participant Agreement**”); such parties are collectively referred to as “**APs**” or “**Authorized Participants**”. Investors should contact the Distributor for the names of Authorized Participants. All Shares, whether created through or outside the Clearing Process, will be entered on the records of DTC in the name of Cede & Co. for the account of a DTC Participant.

The Distributor will process orders to purchase Creation Units received by U.S. mail, telephone, facsimile, and other electronic means of communication by the closing time of the regular trading session on the Exchange (“**Closing Time**”) (normally 4:00 p.m. New York time), as long as they are in proper form. If an order to purchase Creation Units is received in proper form by Closing Time, then it will be processed that day. Purchase orders received in proper form after Closing Time will be processed on the following Business Day and will be priced at the NAV determined on that day. Custom orders must be received by the Distributor no later than 3:00 p.m. New York time on the trade date. A custom order may be placed by an Authorized Participant in the event that the Trust permits the substitution of an amount of cash to be added to the Cash Component to replace any Deposit Security which may not be available in sufficient quantity for delivery or which may not be eligible for trading by such Authorized Participant or the investor for which it is acting or other relevant reason. The date on which an order to create Creation Units (or an order to redeem Creation Units, as discussed below) is placed is referred to as the “**Transmittal Date**.” Orders must be transmitted by an Authorized Participant by telephone or other transmission method acceptable to the Distributor pursuant to procedures set forth in the Participant Agreement, as described below in the sections of this SAI entitled “Purchase and Redemption of Creation Units—Placement of Creation Orders Using the Clearing Process” and “Purchase and Redemption of Creation Units—Placement of Creation Orders Outside the Clearing Process”.

All orders to create Creation Units from investors who are not Authorized Participants shall be placed with an Authorized Participant in the form required by such Authorized Participant. In addition, the Authorized Participant may request the investor to make certain representations or enter into agreements with respect to the order, *e.g.*, to provide for payments of cash, when required. Investors should be aware that their particular broker may not have executed a Participant Agreement and, therefore, orders to create Creation Units of a Fund have to be placed by the investor’s broker through an Authorized Participant that has executed a Participant Agreement. In such cases there may be additional charges to such investor. At any given time, there may be only a limited number of broker-dealers that have executed a Participant Agreement.

Those placing orders for Creation Units through the Clearing Process should afford sufficient time to permit proper submission of the order to the Distributor prior to the Closing Time on the Transmittal Date. Orders for Creation Units that are effected outside the Clearing Process are likely to require transmittal by the DTC Participant earlier on the Transmittal Date than orders effected using the Clearing Process. Those persons placing orders outside the Clearing Process should ascertain the deadlines applicable to DTC and the Federal Reserve Bank wire system by contacting the operations department of the broker or depository institution effectuating such transfer of the Fund Deposit. For more information about Clearing Process and DTC, see the sections of this SAI entitled “Purchase and Redemption of Creation Units—Creation—Placement of Creation Orders Using the Clearing Process” and “Purchase and Redemption of Creation Units—Creation—Placement of Creation Orders Outside the Clearing Process.”

### **Placement of Creation Orders Using the Clearing Process**

The Clearing Process is the process of creating or redeeming Creation Units through the Continuous Net Settlement System of the NSCC. Fund Deposits made through the Clearing Process must be delivered through a Participating Party that has executed a Participant Agreement. The Participant Agreement authorizes the Distributor to transmit through the Custodian to NSCC, on behalf of the Participating Party, such trade instructions as are necessary to effect the Participating Party’s creation order. Pursuant to such trade instructions to NSCC, the Participating Party agrees to deliver the requisite Fund Deposit to the Trust, together with such additional information as may be required by the Distributor. An order to create Creation Units through the Clearing Process is deemed received by the Distributor on the Transmittal Date if (1) such order is received by the Distributor not later than the Closing Time (or 3:00 p.m. New York Time, in the case of a custom order) on such Transmittal Date and (2) all other procedures set forth in the Participant Agreement are properly followed.

### **Placement of Creation Orders Outside the Clearing Process**

Fund Deposits made outside the Clearing Process must be delivered through a DTC Participant that has executed a Participant Agreement. A DTC Participant who wishes to place an order creating Creation Units to be effected outside the Clearing Process does not need to be a Participating Party, but such orders must state that the DTC Participant is not using the Clearing Process and that the creation of Creation Units will instead be effected through a transfer of cash and securities directly through DTC. The Fund Deposit transfer must be ordered by the DTC Participant on the Transmittal Date in a timely fashion so as to ensure the delivery of the requisite number of Deposit Securities through DTC to the account of the Fund by no later than 11:00 a.m. New York time on the next Business Day following the Transmittal Date (“**DTC Cut-Off-Time**”).

All questions as to the number of Deposit Securities to be delivered, or the amount of a Cash Component, and the validity, form, and eligibility (including time of receipt) for the deposit of any tendered securities, will be determined by the Trust, whose determination shall be final and binding. The amount of cash equal to the Cash Component must be transferred directly to the Custodian through the Federal Reserve Bank wire transfer system in a timely manner so as to be received by the Custodian no later than 2:00 p.m. New York time on the next Business Day following the Transmittal Date. An order to create Creation Units outside the Clearing Process is deemed received by the Distributor on the Transmittal Date if (1) such order is received by the Distributor not later than the Closing Time (or 3:00 p.m. New York time in the case of a custom order) on such Transmittal Date and (2) all other procedures set forth in the Participant

Agreement are properly followed. However, if the Custodian does not receive both the requisite Deposit Securities and the Cash Component by 11:00 a.m. on the next Business Day following the Transmittal Date, such order will be canceled. Upon written notice to the Distributor, such canceled order may be resubmitted the following Business Day using a Fund Deposit as newly constituted to reflect the then-current Deposit Securities and Cash Component. The delivery of Creation Units so created will occur no later than the second Business Day following the day on which the purchase order is deemed received by the Distributor.

Additional transaction fees may be imposed with respect to transactions effected through a DTC participant outside the Clearing Process and in the limited circumstances in which any cash can be used in lieu of Deposit Securities to create Creation Units. See the section of this SAI entitled “Purchase and Sale of Creation Units—Creation—Creation Transaction Fee”.

Creation Units may be created in advance of receipt by the Trust of all or a portion of the applicable Deposit Securities. In these circumstances, the initial deposit will have a value greater than the NAV of the Shares on the date the order is placed in proper form because, in addition to available Deposit Securities, cash must be deposited in an amount equal to the sum of (1) the Cash Component plus (2) 110% of the then-current market value of the undelivered Deposit Securities (“**Additional Cash Deposit**”). The order shall be deemed to be received on the Business Day on which the order is placed provided that the order is placed in proper form prior to Closing Time and funds in the appropriate amount are deposited with the Custodian by 11:00 a.m. New York time the following Business Day. If the order is not placed in proper form by Closing Time or funds in the appropriate amount are not received by 11:00 a.m. the next Business Day, then the order may be deemed to be canceled and the Authorized Participant shall be liable to the Fund for losses, if any, resulting therefrom. An additional amount of cash shall be required to be deposited with the Trust, pending receipt of the undelivered Deposit Securities to the extent necessary to maintain the Additional Cash Deposit with the Trust in an amount at least equal to 110% of the daily marked-to-market value of the undelivered Deposit Securities. To the extent that undelivered Deposit Securities are not received by 1:00 p.m. New York time on the second Business Day following the day on which the purchase order is deemed received by the Distributor, or in the event a marked-to-market payment is not made within one Business Day following notification by the Distributor that such a payment is required, the Trust may use the cash on deposit to purchase the undelivered Deposit Securities. Authorized Participants will be liable to the Trust and the Fund for the costs incurred by the Trust in connection with any such purchases. These costs will be deemed to include the amount by which the actual purchase price of the Deposit Securities exceeds the market value of such Deposit Securities on the day the purchase order was deemed received by the Distributor plus the brokerage and related transaction costs associated with such purchases. The Trust will return any unused portion of the Additional Cash Deposit once all of the undelivered Deposit Securities have been properly received by the Custodian or purchased by the Trust and deposited into the Trust. In addition, a transaction fee will be charged in all cases. See the section of this SAI entitled “Purchase and Redemption of Creation Units—Creation—Creation Transaction Fee.” The delivery of Creation Units so created will occur no later than the second Business Day following the day on which the purchase order is deemed received by the Distributor.

#### **Acceptance of Orders for Creation Units**

The Trust reserves the absolute right to reject a creation order transmitted to it by the Distributor if: (1) the order is not in proper form; (2) the investor(s), upon obtaining the Shares ordered, would own 80% or more of the currently outstanding Shares of any Fund; (3) the Deposit

Securities delivered are not as disseminated for that date by the Custodian, as described above; (4) acceptance of the Deposit Securities would have certain adverse tax consequences to the Fund; (5) acceptance of the Fund Deposit would, in the opinion of counsel, be unlawful; (6) acceptance of the Fund Deposit would otherwise, in the discretion of the Trust or the Sub-Advisor, have an adverse effect on the Trust or the rights of beneficial owners; or (7) there exist circumstances outside the control of the Trust, the Custodian, the Distributor and the Sub-Advisor that make it for all practical purposes impossible to process creation orders. Examples of such circumstances include acts of God; public service or utility problems such as fires, floods, extreme weather conditions, and power outages resulting in telephone, telecopy, and computer failures; market conditions or activities causing trading halts; systems failures involving computer or other information systems affecting the Trust, the Sub-Advisor, the Distributor, DTC, NSCC, the Custodian or sub-custodian, or any other participant in the creation process; and similar extraordinary events. The Distributor shall notify a prospective creator of a Creation Unit and/or the Authorized Participant acting on behalf of such prospective creator of its rejection of the order. The Trust, the Custodian, any sub-custodian and the Distributor are under no duty, however, to give notification of any defects or irregularities in the delivery of Fund Deposits nor shall any of them incur any liability for the failure to give any such notification.

All questions as to the number of shares of each security in the Deposit Securities, and the validity, form, eligibility, and acceptance for deposit of any securities to be delivered shall be determined by the Trust and the Trust's determination shall be final and binding.

Creation Units typically are issued on a "T+1 basis" (that is, one Business Day after trade date), unless the Trust and the Authorized Participant agree otherwise.

To the extent contemplated by an Authorized Participant's agreement with the Distributor, the Trust will issue Creation Units to such Authorized Participant notwithstanding the fact that the corresponding Deposit Securities have not been received in part or in whole, in reliance on the undertaking of the Authorized Participant to deliver the missing Deposit Securities as soon as possible, which undertaking shall be secured by such Authorized Participant's delivery and maintenance of collateral having a value equal to 110%, which the Advisor may change from time to time, of the value of the missing Deposit Securities in accordance with the Trust's then-effective procedures. Such collateral must be delivered no later than 2:00 p.m., Eastern Time, on the contractual settlement date. The only collateral that is acceptable to the Trust is cash in U.S. Dollars or an irrevocable letter of credit in form, and drawn on a bank, that is satisfactory to the Trust. The cash collateral posted by the Authorized Participant may be invested at the risk of the Authorized Participant, and income, if any, on invested cash collateral will be paid to that Authorized Participant. Information concerning the Trust's current procedures for collateralization of missing Deposit Securities is available from the Distributor. The Authorized Participant Agreement will permit the Trust to buy the missing Deposit Securities at any time and will subject the Authorized Participant to liability for any shortfall between the cost to the Trust of purchasing such securities and the cash collateral or the amount that may be drawn under any letter of credit.

In certain cases, Authorized Participants will create and redeem Creation Units on the same trade date. In these instances, the Trust reserves the right to settle these transactions on a net basis. All questions as to the amount of cash required to be delivered, the number of shares of each security in the Deposit Securities, and the validity, form, eligibility, and acceptance for

deposit of any securities to be delivered, as applicable, shall be determined by the Trust, and the Trust's determination shall be final and binding.

### **Creation Transaction Fee**

Authorized Participants will be required to pay to the Custodian a fixed transaction fee (the "**Creation Transaction Fee**") in connection with creations or redemptions or to offset the transfer and other transaction costs associated with the issuance of Creation Units. The standard Creation Transaction Fee will be the same regardless of the number of Creation Units purchased by an investor on the applicable Business Day. The Creation Transaction Fee charged by each Fund for each creation order is \$500.

An additional variable fee of up to three (3) times the fixed Transaction Fee plus all commission and fees payable to each Fund in connection with the purchase of the Creation Unit Deposit Securities (expressed as a percentage of the value of such Deposit Securities) may be imposed for (1) creations effected outside the Clearing Process and (2) creations made whole or in part in cash (to offset the Trust's brokerage and other transaction costs associated with using cash to purchase the requisite Deposit Securities). Investors are responsible for the costs of transferring the securities constituting the Deposit Securities to the account of the Trust.

In order to seek to replicate the in-kind creation order process for creation orders executed in whole or in part with cash, the Trust expects to purchase, in the secondary market or otherwise gain exposure to, the portfolio securities that could have been delivered as a result of an in-kind creation order pursuant to local law or market convention, or for other reasons ("**Creation Market Purchases**"). In such cases where the Trust makes Creation Market Purchases, the Authorized Participant will reimburse the Trust for, among other things, any difference between the market value at which the Financial Instruments were purchased by the Trust and the "cash-in-lieu" amount, applicable registration fees, brokerage commissions, and certain taxes.

### **Redemption**

The process to redeem Creation Units is essentially the reverse of the process by which Creation Units are created, as described above. To redeem Shares directly from the Funds, an investor must be an Authorized Participant or must redeem through an Authorized Participant. The Trust redeems Creation Units on a continuous basis on any Business Day through the Distributor at the Shares' NAV next determined after receipt of an order in proper form. A Fund will not redeem Shares in amounts less than Creation Units. Authorized Participants must accumulate enough Shares in the secondary market to constitute a Creation Unit in order to have such Shares redeemed by the Trust. There can be no assurance, however, that there will be sufficient liquidity in the public trading market at any time to permit assembly of a Creation Unit.

Generally, Creation Units of the Funds will be redeemed in-kind, at NAV per Share next computed, plus a transaction fee as described below. The Custodian, through the NSCC, makes available prior to the opening of business on the Exchange (currently 9:30 a.m. New York time) on each Business Day, the identity of the Fund Securities that will be applicable (subject to possible amendment or correction) to redemption requests received in proper form (as described below) on that day. Fund Securities received on redemption may not be identical to Deposit Securities that are applicable to creations of Creation Units. The redemption proceeds for a Creation Unit consists of Fund Securities — as announced on the Business Day the request for redemption is received in proper form — plus or minus cash in an amount equal to the difference between the NAV of the Shares being redeemed, as next determined after a receipt of

a redemption request in proper form, and the value of the Fund Securities (“**Cash Redemption Amount**”), less a redemption transaction fee (see the section of this SAI entitled “Purchase and Redemption of Creation Units—Redemption—Redemption Transaction Fee”).

The right of redemption may be suspended or the date of payment postponed with respect to any Fund (1) for any period during which the NYSE is closed (other than customary weekend and holiday closings); (2) for any period during which trading on the Exchange is suspended or restricted; (3) for any period during which an emergency exists as a result of which disposal of the Shares of the Fund or determination of a Fund’s NAV is not reasonably practicable; or (4) in such other circumstances as is permitted by the SEC.

Deliveries of redemption proceeds by the Fund generally will be made within one Business Day (that is “T+1”), unless the Trust and the Authorized Participant agree otherwise. However, the Fund reserves the right to settle redemption transactions and deliver redemption proceeds on a basis other than T+1 to accommodate foreign market holiday schedules, to account for different treatment among foreign and U.S. markets of dividend record dates and dividend ex-dates (that is the last date the holder of a security can sell the security and still receive dividends payable on the security sold), and in certain other circumstances.

#### **Placement of Redemption Orders Using the Clearing Process**

Orders to redeem Creation Units through the Clearing Process must be delivered through an Authorized Participant that has executed a Participant Agreement. Investors other than Authorized Participants are responsible for making arrangements with an Authorized Participant for an order to redeem. An order to redeem Creation Units is deemed received by the Trust on the Transmittal Date if: (1) such order is received by the Distributor not later than Closing Time on such Transmittal Date; and (2) all other procedures set forth in the Participant Agreement are properly followed. Such order will be effected based on the NAV of the relevant Fund as next determined. An order to redeem Creation Units using the Clearing Process made in proper form but received by the Distributor after Closing Time will be deemed received on the next Business Day immediately following the Transmittal Date and will be effected at the NAV determined on such next Business Day. The requisite Fund Securities and Cash Redemption Amount will be transferred by the second NSCC business day following the date on which such request for redemption is deemed received.

#### **Placement of Redemption Orders Outside the Clearing Process**

Orders to redeem Creation Units outside the Clearing Process must be delivered through a DTC Participant that has executed the Participant Agreement. A DTC Participant who wishes to place an order for redemption of Creation Units to be effected outside the Clearing Process does not need to be a Participating Party, but such orders must state that the DTC Participant is not using the Clearing Process and that redemption of Creation Units will instead be effected through transfer of Shares directly through DTC. An order to redeem Creation Units outside the Clearing Process is deemed received by the Distributor on the Transmittal Date if (1) such order is received by the Distributor not later than Closing Time on such Transmittal Date; (2) such order is accompanied or followed by the requisite number of Shares, which delivery must be made through DTC to the Custodian no later than the DTC Cut-Off-Time, and the Cash Redemption Amount, if owed to the Fund, which delivery must be made by 2:00 p.m. New York Time; and (3) all other procedures set forth in the Participant Agreement are properly followed. After the Distributor receives an order for redemption outside the Clearing Process, the Distributor will initiate procedures to transfer the requisite Fund Securities which are expected to be delivered

and the Cash Redemption Amount, if any, by the second Business Day following the Transmittal Date.

The calculation of the value of the Fund Securities and the Cash Redemption Amount to be delivered or received upon redemption (by the Authorized Participant or the Trust, as applicable) will be made by the Custodian according to the procedures set forth the section of this SAI entitled “Determination of Net Asset Value” computed on the Business Day on which a redemption order is deemed received by the Distributor. Therefore, if a redemption order in proper form is submitted to the Distributor by a DTC Participant not later than Closing Time on the Transmittal Date, and the requisite number of Shares of the Fund are delivered to the Custodian prior to the DTC Cut-Off-Time, then the value of the Fund Securities and the Cash Redemption Amount to be delivered or received (by the Authorized Participant or the Trust, as applicable) will be determined by the Custodian on such Transmittal Date. If, however, either (1) the requisite number of Shares of the relevant Fund are not delivered by the DTC Cut-Off-Time, as described above, or (2) the redemption order is not submitted in proper form, then the redemption order will not be deemed received as of the Transmittal Date. In such case, the value of Fund Securities and the Cash Redemption Amount to be delivered or received will be computed on the Business Day following the Transmittal Date provided that the Shares of the relevant Fund are delivered through DTC to the Custodian by 11:00 a.m. New York time the following Business Day pursuant to a properly submitted redemption order.

The Trust may in its discretion at any time, or from time to time, exercise its option to redeem Shares by providing the redemption proceeds in cash, and the redeeming Authorized Participant will be required to receive its redemption proceeds in cash. In addition, an investor may request a redemption in cash that the Trust may permit, in its sole discretion. In either case, the investor will receive a cash payment equal to the NAV of its Shares based on the NAV of Shares of the relevant Fund next determined after the redemption request is received in proper form (minus a transaction fee which will include an additional charge for cash redemptions to offset the Fund’s brokerage and other transaction costs associated with the disposition of Fund Securities). A Fund may also, in its sole discretion, upon request of a shareholder, provide such redeemer a portfolio of securities that differs from the exact composition of the Fund Securities, or cash in lieu of some securities added to the Cash Redemption Amount, but in no event will the total value of the securities delivered and the cash transmitted differ from the NAV. Redemptions of Shares for Fund Securities will be subject to compliance with applicable federal and state securities laws and the Fund (whether or not it otherwise permits cash redemptions) reserves the right to redeem Creation Units for cash to the extent that the Trust could not lawfully deliver specific Fund Securities upon redemptions or could not do so without first registering the Fund Securities under such laws. An Authorized Participant or an investor for which it is acting that is subject to a legal restriction with respect to a particular security included in the Fund Securities applicable to the redemption of a Creation Unit may be paid an equivalent amount of cash. The Authorized Participant may request the redeeming Beneficial Owner of the Shares to complete an order form or to enter into agreements with respect to such matters as compensating cash payment, beneficial ownership of shares, or delivery instructions.

### **Redemption Transaction Fee**

Investors will be required to pay to the Custodian a fixed transaction fee (“**Redemption Transaction Fee**”) to offset the transfer and other transaction costs associated with the redemption of Creation Units. The standard redemption transaction fee will be the same

regardless of the number of Creation Units redeemed by an investor on the applicable Business Day. The Redemption Transaction Fee charged by each Fund for each redemption order is \$500.

An additional variable fee of up to three (3) times the fixed Transaction Fee plus all commission and fees payable to each Fund in connection with the sale of the Fund Securities (expressed as a percentage value of such Fund Securities) may be imposed for (1) redemptions effected outside the Clearing Process and (2) redemptions made in cash (to offset the Trust's brokerage and other transaction costs associate with the sale of Fund Securities). Investors will also bear the costs of transferring the Fund Securities from the Trust to their account or on their order.

In order to seek to replicate the in-kind redemption order process for creation orders executed in whole or in part with cash, the Trust expects to sell, in the secondary market, the portfolio securities or settle any financial instruments that may not be permitted to be re-registered in the name of the Participating Party as a result of an in-kind redemption order pursuant to local law or market convention, or for other reasons ("**Market Sales**"). In such cases where the Trust makes Market Sales, the Authorized Participant will reimburse the Trust for, among other things, any difference between the market value at which the securities and other financial instruments were sold or settled by the Trust and the "cash-in-lieu" amount, applicable registration fees, brokerage commissions, and certain taxes.

## **CONTINUOUS OFFERING**

The method by which Creation Units are created and traded may raise certain issues under applicable securities laws. Because new Creation Units are issued and sold by the Trust on an ongoing basis, at any point a "distribution", as such term is used in the Securities Act, may occur. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery and liability provisions of the Securities Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Units after placing an order with the Distributor, breaks them down into constituent Shares, and sells such Shares directly to customers, or if it chooses to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for Shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Broker-dealers who are not "underwriters" but are participating in a distribution (as contrasted to ordinary secondary trading transactions), and thus dealing with Shares that are part of an "unsold allotment" within the meaning of Section 4(a)(3)(C) of the Securities Act, would be unable to take advantage of the prospectus-delivery exemption provided by Section 4(a)(3) of the Securities Act. This is because the prospectus delivery exemption in Section 4(a)(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the 1940 Act. As a result, broker-dealer firms should note that dealers who are not underwriters but are participating in a distribution (as contrasted with ordinary secondary market transactions) and thus dealing with the Shares that are part of an over-allotment within the meaning of Section

4(a)(3)(A) of the Securities Act would be unable to take advantage of the prospectus delivery exemption provided by Section 4(a)(3) of the Securities Act. Firms that incur a prospectus delivery obligation with respect to Shares are reminded that, under Rule 153 of the Securities Act, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed to an exchange member in connection with a sale on the Exchange is satisfied by the fact that the prospectus is available at the Exchange upon request. The prospectus delivery mechanism provided in Rule 153 is only available with respect to transactions on an exchange.

## **DETERMINATION OF NET ASSET VALUE**

The following information supplements and should be read in conjunction with the section in the Prospectus entitled “Determination of Net Asset Value (NAV).”

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (*i.e.*, the value of its total assets less total liabilities) by the total number of Shares outstanding, rounded to the nearest cent. Expenses and fees, including the management fee, are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined as of the close of the regular trading session on the Exchange (ordinarily 4:00 p.m., Eastern time) on each day that such exchange is open. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

In computing each Fund’s NAV, the Fund’s portfolio securities are valued based on market quotations. When market quotations are not readily available for a portfolio security a Fund must use such security’s fair value as determined in good faith by the Fund’s Valuation Designee, subject to the Board’s general oversight. The Board has assigned the Advisor as the Valuation Designee to each Fund.

The value of each Fund’s portfolio securities is based on such securities’ closing prices on local markets when available. If a portfolio security’s market price is not readily available or does not otherwise accurately reflect the fair value of such security, the portfolio security will be valued by another method that the Valuation Designee believes will better reflect fair value. Each Fund may use fair value pricing in a variety of circumstances, including but not limited to, situations when the value of a Fund’s portfolio security has been materially affected by events occurring after the close of the market on which such security is principally traded (such as a corporate action or other news that may materially affect the price of such security) or trading in such security has been suspended or halted. In addition, each Fund may fair value foreign equity portfolio securities each day the Fund calculates its NAV. Accordingly, a Fund’s NAV may reflect certain portfolio securities’ fair values rather than their market prices. Fair value pricing involves subjective judgments and it is possible that a fair value determination for a portfolio security is materially different than the value that could be realized upon the sale of such security. With respect to securities that are primarily listed on foreign exchanges, the value of a Fund’s portfolio securities may change on days when you will not be able to purchase or sell your Shares.

## **DIVIDENDS AND DISTRIBUTIONS**

### **General Policies**

The following information supplements and should be read in conjunction with the section in the Prospectus entitled “Dividends, Distributions, and Taxes.”

Dividends from net investment income are normally declared and paid with the following frequency:

<b>Name of Fund</b>	<b>Distribution Frequency</b>
WBI BullBear Value 3000 ETF	Quarterly
WBI BullBear Yield 3000 ETF	Monthly
WBI BullBear Quality 3000 ETF	Quarterly
WBI Power Factor® High Dividend ETF	Quarterly
WBI BullBear Trend Switch 1000 ETF +	Quarterly
WBI BullBear Trend Switch 2000 ETF +	Quarterly
WBI BullBear Trend Switch US 1000 Total Return ETF +	Quarterly
WBI BullBear Trend Switch US 2000 Total Return ETF +	Quarterly

+ The Fund had not yet commenced operations as of June 30, 2025.

Distributions of net capital gains, if any, generally are declared and paid once a year. The Trust may make distributions on a more frequent basis for each Fund to comply with the distribution requirements of the Code, but in all events in a manner consistent with the provisions of the 1940 Act. In addition, the Trust may distribute at least annually amounts representing the full dividend yield on the underlying portfolio securities of the Funds, net of expenses of the Funds, as if each Fund owned such underlying portfolio securities for the entire dividend period, in which case some portion of each distribution may result in a return of capital for tax purposes for certain shareholders.

Dividends and other distributions on Shares are distributed, as described below, on a pro rata basis to Beneficial Owners of such Shares. Dividend payments are made through DTC Participants and Indirect Participants to Beneficial Owners then of record with proceeds received from the Trust. The Trust makes additional distributions to the minimum extent necessary (1) to distribute the entire annual taxable income of the Trust, plus any net capital gains and (2) to avoid imposition of the excise tax imposed by Section 4982 of the Code. Management of the Trust reserves the right to declare special dividends if, in its reasonable discretion, such action is necessary or advisable to preserve the status of each Fund as a “Regulated Investment Company” (“**RIC**”) under the Code or to avoid imposition of income or excise taxes on undistributed income.

#### **Dividend Reinvestment Service**

No reinvestment service is provided by the Trust. Broker-dealers may make available the DTC book-entry Dividend Reinvestment Service for use by Beneficial Owners of the Funds through DTC Participants for reinvestment of their dividend distributions. If this service is used, dividend distributions of both income and realized gains will be automatically reinvested in additional whole Shares of the Funds. Beneficial Owners should contact their broker to determine the availability and costs of the service and the details of participation therein. Brokers may require Beneficial Owners to adhere to specific procedures and timetables.

## TAXATION

Set forth below is a discussion of certain U.S. federal income tax considerations affecting the Funds and the purchase, ownership and disposition of Shares. It is based upon the Code, the regulations promulgated thereunder, judicial authorities, and administrative rulings and practices as in effect as of the date of this SAI, all of which are subject to change, possibly with retroactive effect. The following information supplements should be read in conjunction with the section in the Prospectus entitled “Dividends, Distributions, and Taxes.”

This summary assumes that a Fund shareholder holds Shares as capital assets within the meaning of the Code, and does not hold Shares in connection with a trade or business. This summary does not address the potential U.S. federal income tax considerations possibly applicable to an investment in Shares to Fund shareholders holding Shares through a partnership (or other pass-through entity) or to Fund shareholders subject to special tax rules. Prospective Fund shareholders are urged to consult their own tax advisers with respect to the specific federal, state, local, and foreign tax consequences of investing in Shares based on their particular circumstances.

The Funds have not requested and will not request an advance ruling from the Internal Revenue Service (“**IRS**”) as to the federal income tax matters described below. The IRS could adopt positions contrary to those discussed below and such positions could be sustained. Prospective investors should consult their own tax advisers with regard to the federal tax consequences of the purchase, ownership, or disposition of Shares, as well as the tax consequences arising under the laws of any state, foreign country, or other taxing jurisdiction.

### **Tax Treatment of the Funds**

*In General.* Each Fund intends to qualify and elect to be treated as a separate RIC under the Code. To qualify and maintain its tax status as a RIC, each Fund must meet annually certain income and asset diversification requirements and must distribute annually at least the sum of ninety percent (90%) of its “investment company taxable income” (which includes dividends, interest, and net short-term capital gains) and ninety percent (90%) of its net exempt interest income. As a RIC, a Fund generally will not have to pay corporate-level federal income taxes on any ordinary income or capital gains that it distributes to its shareholders.

With respect to some or all of its investments, a Fund may be required to recognize taxable income in advance of receiving the related cash payment. For example, if a Fund invests in original issue discount obligations (such as zero coupon debt instruments or debt instruments with payment-in-kind interest), the Fund will be required to include as interest income a portion of the original issue discount that accrues over the term of the obligation, even if the related cash payment is not received by the Fund until a later year. Under the “wash sale” rules, a Fund may not be able to deduct a loss on a disposition of a portfolio security. As a result, the Fund may be required to make an annual income distribution greater than the total cash actually received during the year. Such distribution may be made from the cash assets of the Fund or by selling portfolio securities. The Fund may realize gains or losses from such sales, in which event the Fund’s shareholders may receive a larger capital gain distribution than they would in the absence of such transactions.

A Fund will be subject to a four percent (4%) excise tax on certain undistributed income if the Fund does not distribute to its shareholders in each calendar year at least 98% of its ordinary income for the calendar year plus 98.2% of its capital gain net income for the twelve months ended October 31 of such year. Each Fund intends to make distributions necessary to avoid the 4% excise tax.

*Failure to Maintain RIC Status.* If a Fund fails to qualify as a RIC for any year (subject to certain curative measures allowed by the Code), the Fund will be subject to regular corporate-level income tax in that year on all of its taxable income, regardless of whether the Fund makes any distributions to its shareholders. In addition, distributions will be taxable to a Fund's shareholders generally as ordinary dividends to the extent of the Fund's current and accumulated earnings and profits. Distributions from a non-qualifying Fund's earnings and profits will be taxable to the Fund's shareholders as regular dividends, possibly eligible for (1) in the case of an individual Fund shareholder, treatment as a qualifying dividend (as discussed below) subject to tax at preferential capital gains rates or (2) in the case of a corporate Fund shareholder, a dividends-received deduction.

*PFIC Investments.* A Fund may purchase shares in a foreign corporation treated as a "passive foreign investment company" ("**PFIC**") for federal income tax purposes. As a result, the Fund may be subject to federal income tax (plus charges in the nature of interest on previously-deferred income taxes on the PFIC's income) on "excess distributions" made on or gain from a sale (or other disposition) of the PFIC shares even if the Fund distributes the excess distributions to its shareholders.

In lieu of the income tax and deferred tax interest charges on excess distributions on and dispositions of a PFIC's shares, a Fund can elect to treat the underlying PFIC as a "qualified electing fund," provided that the PFIC agrees to provide the Fund with adequate information regarding its annual results and other aspects of its operations. With a "qualified electing fund" election in place, the Fund must include in its income each year its share (whether distributed or not) of the ordinary earnings and net capital gain of a PFIC.

In the alternative, a Fund can elect to mark-to-market at the end of each taxable year its PFIC shares. The Fund would recognize as ordinary income any increase in the value of the PFIC shares and as an ordinary loss (up to any prior income resulting from the mark-to-market election) any decrease in the value of the PFIC shares.

With a "mark-to-market" or "qualified election fund" election in place on a PFIC, a Fund might be required to recognize in a year income in excess of its actual distributions on and proceeds from dispositions of the PFIC's shares. Any such income would be subject to the RIC distribution requirements and would be taken into account for purposes of the 4% excise tax (described above).

*Futures Contracts.* A Fund may be required to mark-to-market and recognize as income for each taxable year its net unrealized gains and losses on certain futures contracts. In addition, a Fund may be required to defer the recognition of losses on futures contracts to the extent of any unrecognized gains on related positions held by the Fund. Any income from futures contracts would be subject to the RIC distribution requirements and would be taken into account for purposes of the 4% excise tax (described above).

*Foreign Currency Transactions.* Gains or losses attributable to fluctuations in exchange rates between the time a Fund accrues income, expenses, or other items denominated in a foreign

currency and the time the Fund actually collects or pays such items are generally treated as ordinary income or loss. Similarly, gains or losses on foreign currency forward contracts and the disposition of debt securities denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also treated as ordinary income or loss.

*Special or Uncertain Tax Consequences.* A Fund’s investment or other activities could be subject to special and complex tax rules that may produce differing tax consequences, such as disallowing or limiting the use of losses or deductions (such as the “wash sale” rules), causing the recognition of income or gain without a corresponding receipt of cash, affecting the time as to when a purchase or sale of stock or securities is deemed to occur, or altering the characterization of certain complex financial transactions. Each Fund will monitor its investment activities for any adverse effects that may result from these special tax rules.

A Fund may engage in investment or other activities the treatment of which may not be clear or may be subject to recharacterization by the IRS. In particular, the tax treatment of swaps and other derivatives and income from foreign currency transactions is unclear for purposes of determining a Fund’s status as a RIC. If a final determination on the tax treatment of a Fund’s investment or other activities differs from the Fund’s original expectations, the final determination could adversely affect the Fund’s status as a RIC or the timing or character of income recognized by the Fund, requiring the Fund to purchase or sell assets, alter its portfolio or take other action in order to comply with the final determination.

*Certain Net Capital-Loss Carryforward.* For federal income tax purposes, a Fund is generally permitted to carry forward a net capital loss in any year to offset net capital gains, if any, during its taxable years following the year of the loss. Capital losses carried forward will retain their character as either short-term or long-term capital losses. To the extent subsequent net capital gains are offset by such losses, they would not result in federal income tax liability to a Fund and would not be distributed as such to shareholders.

As of June 30, 2025, the Funds had the following short-term and long-term capital loss carryforwards available for federal income tax purposes. The Future Funds had not yet commenced operations as of June 30, 2025, and consequently, are not included in the table below.

<b>Fund</b>	<b>Short-Term</b>	<b>Long-Term</b>
WBI BullBear Value 3000 ETF+	\$ 19,910,253	\$ —
WBI BullBear Yield 3000 ETF+	66,867,685	—
WBI BullBear Quality 3000 ETF+	23,917,137	—
WBI Power Factor® High Dividend ETF	4,846,808	953,774

+ Annual limitation may apply to a portion of the losses under IRC 382.

### **Tax Treatment of Fund Shareholders**

*Fund Distributions.* In general, Fund distributions are subject to federal income tax when paid, regardless of whether they consist of cash or property or are reinvested in Shares. However, any Fund distribution declared in October, November, or December of any calendar year and payable to shareholders of record on a specified date during such month will be deemed to have been

received by each Fund shareholder on December 31 of such calendar year, provided such dividend is actually paid during January of the following calendar year.

Distributions of a Fund's net investment income (other than, as discussed below, qualified dividend income) and net short-term capital gains are taxable as ordinary income to the extent of the Fund's current or accumulated earnings and profits. Distributions of a Fund's net long-term capital gains in excess of net short-term capital losses are taxable as long-term capital gain to the extent of the Fund's current or accumulated earnings and profits, regardless of a Fund shareholder's holding period in the Fund's Shares. Distributions of qualified dividend income are taxable as long-term capital gain to the extent of the Fund's current or accumulated earnings and profits, provided that the Fund shareholder meets certain holding period and other requirements with respect to the distributing Fund's Shares and the distributing Fund meets certain holding period and other requirements with respect to its dividend-paying stocks.

Each Fund intends to distribute its long-term capital gains at least annually. However, by providing written notice to its shareholders no later than 60 days after its year-end, a Fund may elect to retain some or all of its long-term capital gains and designate the retained amount as a "deemed distribution". In that event, the Fund pays income tax on the retained long-term capital gain, and each Fund shareholder recognizes a proportionate share of the Fund's undistributed long-term capital gain. In addition, each Fund shareholder can claim a refundable tax credit for the shareholder's proportionate share of the Fund's income taxes paid on the undistributed long-term capital gain and increase the tax basis of the Shares by an amount equal to the shareholder's proportionate share of the Fund's undistributed long-term capital gains, reduced by the amount of the shareholder's tax credit.

Long-term capital gains of non-corporate Fund shareholders (*i.e.*, individuals, trusts, and estates) are taxed at a maximum rate of 20%.

In addition, high-income individuals (and certain trusts and estates) will be subject to a 3.8% Medicare tax on net investment income (which generally includes all Fund distributions and gains from the sale of Shares) in addition to otherwise applicable federal income tax. Please consult your tax advisor regarding this tax.

To the extent that each Fund makes a distribution of income received by such Fund in lieu of dividends with respect to securities on loan pursuant to a securities lending transaction, such income will not constitute qualified dividend income to individual shareholders and will not be eligible for the dividends-received deduction for corporate shareholders.

Investors considering buying Shares just prior to a distribution should be aware that, although the price of the Shares purchased at such time may reflect the forthcoming distribution, such distribution nevertheless may be taxable (as opposed to a non-taxable return of capital).

*REIT/REMIC Investments.* A Fund may invest in REITs owning residual interests in real estate mortgage investment conduits ("**REMICs**"). Income from a REIT to the extent attributable to a REMIC residual interest (known as "excess inclusion" income) is allocated to a Fund's shareholders in proportion to the dividends received from the Fund, producing the same income tax consequences as if the Fund shareholders directly received the excess inclusion income. In general, excess inclusion income (1) cannot be offset by net operating losses (subject to a limited exception for certain thrift institutions), (2) constitutes "unrelated business taxable income" to certain entities (such as a qualified pension plan, an individual retirement account, a

401(k) plan, a Keogh plan, or other tax-exempt entity), and (3) in the case of a foreign shareholder, does not qualify for any withholding tax reduction or exemption. In addition, if at any time during any taxable year certain types of entities own Shares, the Fund will be subject to a tax equal to the product of (1) the excess inclusion income allocable to such entities and (2) the highest U.S. federal income tax rate imposed on corporations. A Fund is also subject to information reporting with respect to any excess inclusion income.

Effective for taxable years beginning after December 31, 2017, and before January 1, 2026, the Code generally allows individuals and certain non-corporate entities a deduction for 20% of qualified REIT dividends. Treasury Regulations permit a RIC to pass the character of its qualified REIT dividends through to its shareholders. As a result, a shareholder in a Fund that invests in REITs will be entitled to the same deduction with respect to the portion of Fund dividends based on qualified REIT dividends received by a Fund.

*Sales of Shares.* Any capital gain or loss realized upon a sale of Shares is treated generally as a long-term gain or loss if the Shares have been held for more than one year. Any capital gain or loss realized upon a sale of Shares held for one year or less is generally treated as a short-term gain or loss, except that any capital loss on the sale of Shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Shares.

*In-Kind Creation Unit Issues and Redemptions.* On an issue of Shares as part of a Creation Unit made by means of an in-kind deposit, an Authorized Participant recognizes capital gain or loss equal to the difference between (1) the fair market value where the creation is conducted in-kind by deposit of Deposit Securities value (at issue) of the issued Shares (plus any cash received by the Authorized Participant as part of the issue) and (2) the Authorized Participant's aggregate basis in the exchanged securities (plus any cash paid by the Authorized Participant as part of the issue). On a redemption of Shares as part of a Creation Unit where the redemption is conducted in-kind by a payment of Fund Securities, an Authorized Participant recognizes capital gain or loss equal to the difference between (1) the fair market value (at redemption) of the securities received (plus any cash received by the Authorized Participant as part of the redemption) and (2) the Authorized Participant's basis in the redeemed Shares (plus any cash paid by the Authorized Participant as part of the redemption). However, the IRS may assert, under the "wash sale" rules or on the basis that there has been no significant change in the Authorized Participant's economic position, that any loss on an issue or redemption of Creation Units cannot be deducted currently.

In general, any capital gain or loss recognized upon the issue or redemption of Shares (as components of a Creation Unit) is treated either as long-term capital gain or loss, if the deposited securities (in the case of an issue) or the Shares (in the case of a redemption) have been held for more than one year, or otherwise as short-term capital gain or loss. However, any capital loss recognized on a redemption of Shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Shares.

A Fund may be subject to foreign income taxes and may be able to elect to pass-along such credit to its shareholders. If this election is available and the Fund elects such treatment, the amount of such credit will be treated as an additional distribution by the Fund and, subject to various limitations of the Code, its shareholders will be entitled to claim a foreign tax credit to

offset their tax liability. Please consult your tax advisor regarding whether you will be able to use such credit against your tax liability.

*Back-Up Withholding.* A Fund may be required to report certain information on a Fund shareholder to the IRS and withhold federal income tax (“backup withholding”) at a 24% rate from all taxable distributions and redemption proceeds payable to the Fund shareholder if the Fund shareholder fails to provide the Fund with a correct taxpayer identification number (or, in the case of a U.S. individual, a social security number) or a completed exemption certificate (e.g., an IRS Form W-8BEN or W-8BEN-E, as applicable, in the case of a foreign Fund shareholder) or if the IRS notifies the Fund that the Fund shareholder is otherwise subject to backup withholding. Backup withholding is not an additional tax and any amount withheld may be credited against a Fund shareholder’s federal income tax liability.

*Tax Shelter Reporting Regulations.* If a Fund shareholder recognizes a loss with respect to Shares of \$2 million or more for an individual Fund shareholder or \$10 million or more for a corporate shareholder in any single taxable year (or a greater loss over a combination of years), the Fund shareholder may be required file a disclosure statement with the IRS. Significant penalties may be imposed upon the failure to comply with these reporting rules.

### **Special Issues for Foreign Shareholders**

In general, if a Fund shareholder is not a U.S. citizen or resident or if a Fund shareholder is a foreign entity, the Fund’s ordinary income dividends (including distributions of other amounts that would not be subject to U.S. withholding tax if paid directly to foreign Fund shareholders) will be subject, in general, to withholding tax at a rate of 30% (or at a lower rate established under an applicable tax treaty). However interest-related dividends and short-term capital gain dividends generally will not be subject to withholding tax; provided that the foreign Fund shareholder furnishes the Fund with a completed IRS Form W-8BEN or W-8BEN-E, as applicable, (or acceptable substitute documentation) establishing the Fund shareholder’s status as foreign and that the Fund does not have actual knowledge or reason to know that the foreign Fund shareholder would be subject to withholding tax if the foreign Fund shareholder were to receive the related amounts directly rather than as dividends from the Fund.

Under current law, gain on a sale of Shares or an exchange of such Shares will be exempt from U.S. federal income tax (including withholding at the source) unless (1) in the case of an individual foreign Fund shareholder, the Fund shareholder is physically present in the United States for more than 182 days during the taxable year and meets certain other requirements, or (2) at any time during the shorter of the period during which the foreign Fund shareholder held such Shares of the Fund and the five-year period ending on the date of the disposition of those shares, the Fund was a “U.S. real property holding corporation” (as defined below), and the foreign Fund shareholder actually or constructively held more than 5% of the Shares. In the case of a disposition described in clause (2) of the preceding sentence, the gain would be taxed in the same manner as for a domestic Fund shareholder and in certain cases will be collected through withholding at the source in an amount equal to 15% of the sales proceeds.

Unless treated as a “domestically-controlled” RIC, a Fund will be a “U.S. real property holding corporation” if the fair market value of its U.S. real property interests (which includes shares of U.S. real property holding corporations and certain participating debt securities) equals or exceeds 50% of the fair market value of such interests plus its interests in real property located outside the United States plus any other assets used or held for use in a business. A

“domestically controlled” RIC is any RIC in which at all times during the relevant testing period 50% or more in value of the RIC’s stock was owned by U.S. persons.

Shareholders that are foreign entities will be subject to U.S. withholding tax of 30 percent on certain U.S. source investment income (including all dividends from the Fund), unless they comply or demonstrate their exemption from certain reporting requirements. Complying with such requirements may require the shareholder to provide and certify certain information about itself and (where applicable) its beneficial owners, and foreign financial institutions may be required to enter in an agreement with the U.S. Internal Revenue Service or a government agency in their own country to provide certain information regarding such shareholder’s account holders. Please consult your tax advisor regarding this tax.

To claim a credit or refund for any Fund-level taxes on any undistributed long-term capital gains (as discussed above) or any taxes collected through withholding, a foreign Fund shareholder must obtain a U.S. taxpayer identification number and file a federal income tax return even if the foreign Fund shareholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. income tax return.

*Investments in U.S. Real Property.* In general, if a Fund is a “U.S. real property holding corporation,” (determined without the exception for “domestically-controlled” RICs and publicly-traded RICs) distributions by the Fund attributable to gains from “U.S. real property interests” (including gain on the sale of shares in certain “non-domestically controlled” REITs and certain capital gain dividends from REITs) will be treated as income effectively connected to a trade or business within the United States, subject generally to tax at the same rates applicable to domestic Fund shareholders and, in the case of the foreign corporate Fund shareholder, a “branch profits” tax at a rate of 30% (or other applicable lower rate). Such distributions will be subject to U.S. withholding tax and will generally give rise to an obligation on the part of the foreign stockholder to file a U.S. federal income tax return.

Even if a Fund is treated as a U.S. real property holding company, distributions on and sales of the Shares will not be treated as income effectively connected with a U.S. trade or business in the case of a foreign Fund shareholder owning (for the applicable period) 5% or less of Shares (but such distributions will be subject to the 30% withholding tax).

Investors are advised to consult their own tax advisers with respect to the application to their own circumstances of the above-described rules. There can be no assurance that these rules, which have expired, will be extended.

Foreign stockholders that engage in certain “wash sale” and/or substitute dividend payment transactions the effect of which is to avoid the receipt of distributions from the Fund that would be treated as gain effectively connected with a United States trade or business will be treated as having received such distributions. All shareholders of the Fund should consult their tax advisers regarding the application of these rules.

## **INDEX DISCLAIMER**

The WBI Power Factor® High Dividend ETF is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Underlying Index and/or Underlying Index trade mark or the Underlying Index Price at any time or in any other respect. The Underlying Index

is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Parent Index and Underlying Index are calculated correctly. Irrespective of its obligations towards the licensee, Solactive AG has no obligation to point out errors in the Parent Index or Underlying Index to third parties, including, but not limited to, investors and/or financial intermediaries of the WBI Power Factor® High Dividend ETF. Neither publication of the Parent Index or Underlying Index by Solactive AG nor the licensing of the Parent Index, Underlying Index or any other index trade mark for the purpose of use in connection with the WBI Power Factor® High Dividend ETF constitutes a recommendation by Solactive AG to invest capital in the WBI Power Factor® High Dividend ETF nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the WBI Power Factor® High Dividend ETF.

## **OTHER INFORMATION**

The Funds are not sponsored, endorsed, sold, or promoted by the NYSE Arca. The NYSE Arca makes no representation or warranty, express or implied, to the owners of Shares or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly or the ability of the Funds to achieve their objective. The NYSE Arca has no obligation or liability in connection with the administration, marketing, or trading of the Funds.

For purposes of the 1940 Act, the Funds are registered investment companies, and the acquisition of Shares by other registered investment companies and companies relying on exemption from registration as investment companies under Section 3(c)(1) or 3(c)(7) of the 1940 Act is subject to the restrictions of Section 12(d)(1) of the 1940 Act, except as permitted by an exemptive order that permits registered investment companies to invest in the Funds beyond those limitations.

Shareholder inquiries may be made by writing to the Trust, c/o Millington Securities, LLC, 331 Newman Springs Road, Suite 143, Red Bank, New Jersey 07701.

## **FINANCIAL STATEMENTS**

The annual report for the Funds for the fiscal year ended June 30, 2025 is a separate document and the financial statements and accompanying notes appearing therein are incorporated by reference in this SAI. You may request a copy of the Funds' [Annual Report to Shareholders](#) at no charge by calling the Funds (toll-free) at (855) WBI-ETFS or (855) 924-3837 or through the Funds' website at [www.wbietfs.com](http://www.wbietfs.com).

**APPENDIX A**  
**WBI Investments, LLC**

**Proxy Voting Policies and Procedures**

**I. General**

WBI Investments, LLC, (“**WBI**”) recognizes its obligation to vote proxies for investments held by clients over which it exercises discretionary authority. It does so in the clients’ best interest. WBI will generally vote proxies and act on all other actions in a timely manner as part of its full discretionary authority over client assets (except in limited circumstances described in section II), in accordance with these Proxy Voting Policies and Procedures (the “**Proxy Voting Policies**”).

If at any time it determines to decline the responsibility of voting proxies, WBI must specifically notify clients. It must also make provisions for its clients to receive proxy information.

**II. Proxy Voting**

**A. General Requirements of Rule 206(4)-6**

Pursuant to the requirements of Rule 206(4)-6 under the Investment Advisers Act of 1940 (the “**Advisers Act**”), WBI: (1) has adopted these Proxy Voting Policies that are reasonably designed to ensure that WBI votes client securities in the best interest of such clients; (2) will disclose to clients how they may obtain information on how WBI voted their proxies; and (3) will describe to clients its Proxy Voting Policies and, upon their request, provide copies to clients.

**B. Disclosure of Proxy Voting Policies**

WBI’s Proxy Voting Procedures are described in ADV Part 2 Brochure. The disclosure included in the Brochure summarizes these Proxy Voting Policies. The disclosure, however, does state that a client may obtain a copy of the complete Proxy Voting Policies upon request.

**C. Disclosure of Voting Information**

WBI’s Form ADV Part 2 Brochure also indicates that clients may obtain information from WBI on how their securities were voted. Consequently, WBI maintains records of proxies voted for each client.

**D. Procedures**

WBI has engaged an unbiased third party proxy voting service to receive and review proxy voting statements, provide information and research, make proxy voting recommendations, and handle the administrative functions associated with the voting of proxies. The proxy voting guidelines are provided to the proxy voting service to assure WBI’s intent with regard to voting proxies in the best interest of clients is observed in the execution of the proxy voting services provided. WBI will generally vote proxies in accordance with these recommendations, but reserves the right to exercise its own judgment on a case-by-case basis. If WBI determines that voting a particular proxy would create a material conflict of interest between its interest or the

interests of any of its affiliated parties and the interests of the Fund, WBI will vote such proxy based upon the recommendations of the independent third party proxy voting service. The Chief Compliance Officer is ultimately responsible for ensuring that all proxies received by WBI are voted in a timely manner and in a manner consistent with WBI's determination of the client's best interests. Although many proxy proposals may be voted in accordance with the guidelines established in these Proxy Voting Policies, some proposals require special consideration which may dictate an exception to the policies and procedures.

## **E. Guidelines**

The following guidelines summarize WBI's positions on various issues and give a general indication as to how WBI will vote shares on each issue. WBI believes that voting proxies pursuant to the guidelines should be in the best interests of the client. Although WBI will usually vote proxies in accordance with these guidelines, WBI reserves the right to vote certain issues counter to the guidelines if, after a thorough review of the matter, WBI determines that a client's best interests would be served by such a vote. Moreover, the list of guidelines below may not include all potential voting issues. To the extent that the guidelines do not cover potential voting issues, WBI will vote on such issues in a manner that is consistent with the spirit of these guidelines and that promotes the best interests of the client. Each proxy issue will be considered individually. The following guidelines are a partial list to be used in voting proposals contained in the proxy statements.

1. *Routine Matters.* Routine proposals are those that do not change the structure, bylaws or operations of a corporation to the detriment of the shareholders. Given the routine nature of these proposals, proxies will normally be voted with management. Traditionally, these issues include:

- Election of auditors recommended by management, unless seeking to replace auditors due to a dispute over policies;
- Date and place of annual meeting;
- Ratification of directors' actions on routine matters since previous annual meeting;
- Reasonable Employee Stock Purchase Plans; and
- Establishing reasonable 401(k) Plans.

(b) *Board of Directors.* If a company's performance has been poor over a period of time or other negative factors exist, such as unusual litigation, WBI may consider withholding its proxy in favor of any incumbent members of board of directors and voting against any member.

WBI considers it important that publicly-held companies maintain a Board of Directors independent from management and qualified in their own respect.

(c) *Management Compensation.* WBI generally votes in favor of proposals to align management compensation with the interests of stockholders. However, WBI considers excessive compensation to be against the best interest of stockholders. It may consider such compensation as a factor to vote against any incumbent director.

(d) *Change of Control Provisions.* WBI disfavors change of control provisions in whatever format, including without limitation, staggered boards of directors, poison pills provisions, required super-majority votes, or any other similar provisions. It will generally vote against these provisions absent good reasons to the contrary.

WBI generally votes against any management proposal that is not deemed to be in the shareholders' best interests because it may entrench management. Proposals in this category include:

- Proposals to stagger board members' terms;
- Proposals to limit the ability of shareholders to call special meetings;
- Proposals to require super majority votes;
- Proposals requesting excessive increases in authorized common or preferred shares where management provides no explanation for the use or need of these additional shares;
- Proposals regarding "poison pill" provisions;
- Permitting "green mail"; and
- Providing cumulative voting rights.

(e) *Capital Structures.* WBI votes on capital structure proposals according to the reasons for the proposals and in a manner to increase stockholder value. For example, proposals to increase the number of authorized shares of stock for acquisitions or to raise capital are favored over proposals to increase the number of authorized shares for management compensation.

Proposals to buy back shares of common stock are generally favored. Proposals to issue shares in such a manner to prevent a change of control are generally disfavored.

(f) *Auditor Approval.* WBI will consider the integrity, qualifications, and disciplinary history of the proposed accounting firm. WBI does not necessarily consider the size of the firm to be one of the more important factors.

To the best of its ability, WBI maintains an awareness of the integrity and disciplinary history of accounting firms auditing public-held companies' statements. Any firm with a significant amount of disciplinary history or legal claims against it is disfavored.

The composition of the audit committee is an additional factor in ratifying the appointed independent auditors. A qualified, independent, and active audit committee's recommendations are given deference.

(g) *Corporate Governance.* WBI maintains sufficient familiarity with new requirements governing corporate governance, such as the Sarbanes-Oxley Act. Any reasonable provisions furthering good corporate governance, integrity and informed decisions by a board of directors, management or otherwise are endorsed by WBI.

(h) *Shareholder Action.* If proxy materials relate to shareholder action, WBI shall review the matter with regard to the best interests of the client and to recover the most value possible or to maintain the highest value of the investment. Within the consideration of the recovery of an investment with respect to a lawsuit, the time value of money and the risks and nature of the lawsuit shall be considered.

(i) *Special Circumstances.* WBI reviews each issue in this category on a case-by-case basis. Voting decisions will be made based on the financial interest of its clients. These include matters such as:

- Director/Management mandatory retirement policy; and
- Option and stock grants and pay and retirement packages to management and directors.

(j) *Conflict of Interest.* If a potential conflict of interest exists between a client and the interest of WBI in voting proxies, any of the following procedures may be followed to resolve the conflict:

- **Vote in Accordance with the Guidelines.** To the extent that WBI *has little or no discretion* to deviate from the guidelines with respect to the proposal in question, WBI shall vote in accordance with such pre-determined voting policy.
- **Independent Third Party Recommendation.** If WBI determines that voting a particular proxy would create a material conflict of interest between its interest or the interests of any of its affiliated parties and the interests of the Fund, WBI will vote such proxy based upon the recommendations of the independent third party proxy voting service. If the independent third party service recuses itself on a proxy voting matter, or makes no recommendation, WBI will abstain from voting the securities held by that client's account.

(k) *Shareholder Proposals.* WBI reviews shareholder proposals individually and determines each proposal on its own individual merits. WBI balances the needs of the company to maintain flexibility in its business operations against other considerations proposed by shareholders.

(l) *Additional Factors.* WBI, in good faith, shall consider such additional factors as it determines relevant, depending on current issues and issues particular to any company.

(m) *Limitations.* In certain circumstances, in accordance with a client's investment advisory contract (or other written directive), or where WBI has determined that it is in the client's best interest, WBI will not vote proxies received. The following are certain circumstances where WBI will limit its role in voting proxies:

- **Client Maintains Proxy Voting Authority:** Where a client specifies in writing that it will maintain the authority to vote proxies itself or that it has delegated

the right to vote proxies to a third party, WBI will not vote the securities and will direct the relevant custodian to send the proxy material directly to the client. In these instances, if any proxy material is received by WBI, it will promptly be forwarded to the client or specified third party.

- **Custodian Retains Proxy Voting Authority:** Where a client's account custodian retains proxy voting authority WBI will not vote those client's securities.
- **Terminated Account:** Once a client account has been terminated with WBI in accordance with its investment advisory agreement, WBI will not vote any proxies received after the termination. However, the client may specify in writing that proxies should be directed to the client or a specified third party for action.
- **Limited Value:** If WBI determines that the value of a client's economic interest or the value of the portfolio holding is indeterminable or insignificant, WBI may abstain from voting a client's proxies. WBI also will not vote proxies received for securities which are no longer held by the client's account. In addition, WBI may not vote securities where the economic value of the securities in the client account is less than \$1,000.
- **Securities Lending Programs:** When securities are out on loan, they are transferred into the borrower's name and are voted by the borrower, in its discretion. However, where WBI determines that a proxy vote, or other shareholder action, is materially important to the client's account, WBI may recall the security for purposes of voting.
- **Unjustifiable Costs:** In certain circumstances, after doing a cost-benefit analysis, WBI may abstain from voting where the cost of voting a client's proxy would exceed any anticipated benefits to the client of the proxy proposal.

## F. Client Directions

Custodians forward proxy materials for clients who rely on WBI to vote proxies to the proxy voting service. The proxy voting service is responsible for exercising the voting rights in accordance with its recommendations. If WBI receives proxy materials in connection with a client's account where the client has, in writing, communicated WBI that the client, plan fiduciary or other third party has reserved the right to vote proxies, WBI will forward to the party appointed by client any proxy materials it receives with respect to the account.

## G. Third Party

Although WBI has determined to use a third party service provider to vote proxies, WBI must assure that the third party complies with Rule 206(4)-6. It must also obtain the necessary records required to be maintained.

## H. Record Keeping

WBI maintains:

- these Proxy Voting Policies, and all amendments thereto;

- all proxy statements received regarding client securities; provided, however, that WBI may rely on the proxy statement filed on EDGAR as its records;
- a record of all votes cast on behalf of clients;
- records of all client requests for proxy voting information;
- any documents prepared by WBI that were material to making a decision how to vote or that memorialized the basis for the decision; and
- all records relating to requests made to clients regarding conflicts of interest in voting the proxy.

WBI describes in its Form ADV Part 2 Brochure its proxy voting policies and procedures and will inform clients how they may obtain information on how WBI voted proxies with respect to the clients' portfolio securities. Clients may obtain information on how their securities were voted or a copy of these Proxy Voting Policies by written request addressed to WBI. WBI will coordinate with all Investment Company Act clients to assist in the provision of all information required to be filed by such mutual funds on Form N-PX.

## APPENDIX B

### CORPORATE BOND RATINGS

#### Moody's Investors Service, Inc.

Aaa: Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa: Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuations or protective elements may be of greater amplitude or there may be other elements present which make long-term risks appear somewhat larger than in Aaa securities.

A: Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa: Bonds which are rated Baa are considered as medium grade obligations, *i.e.*, they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba: Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B: Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa: Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca: Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C: Bonds which are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospectus of ever attaining any real investment standing. Moody's applies numerical modifiers, 1, 2, and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modified 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range

ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

### **Standard & Poor's Ratings Group**

AAA: Bonds rated AAA are highest grade debt obligations. This rating indicates an extremely strong capacity to pay principal and interest.

AA: Bonds rated AA also qualify as high-quality debt obligations. Capacity to pay principal and interest is very strong, and in the majority of instances they differ from AAA issues only in small degree.

A: Bonds rated A have a strong capacity to pay principal and interest, although they are more susceptible to the adverse effects of changes in circumstances and economic conditions.

BBB: Bonds rated BBB are regarded as having an adequate capacity to pay principal and interest. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay principal and interest for bonds in this category than for bonds in the A category.

BB, B, CCC, CC, C: Bonds rated BB, B, CCC, CC, and C are regarded on balance as predominantly speculative with respect to capacity to pay interest and repay principal. BB indicates the least degree of speculation and C the highest. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse conditions.

BB: Bonds rated BB have less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments. The BB rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BBB- rating.

B: Bonds rated B have a greater vulnerability to default but currently have the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to pay interest and repay principal. The B rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BB or BB-rating.

CCC: Bonds rated CCC have a currently identifiable vulnerability to default and are dependent upon favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal. The CCC rating category is also used for debt subordinated to senior debt that is assigned an actual or implied B or B- rating.

CC: The rating CC typically is applied to debt subordinated to senior debt which is assigned an actual or implied CCC- debt rating. The C rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

CI: The rating CI is reserved for income bonds on which no interest is being paid.

D: Bonds rated D are in payment default. The D rating category is used when interest payments or principal payments are not made on the date due even if the applicable grace period has not expired, unless S&P believes that such payments are jeopardized.

Plus (+) or Minus (-): The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing with the major categories.

## **APPENDIX C**

### **COMMERCIAL PAPER RATINGS**

#### **Moody's Investors Service, Inc.**

Prime-1-Issuers (or related supporting institutions) rated "Prime-1" have a superior ability for repayment of senior short-term debt obligations. "Prime-1" repayment ability will often be evidenced by many of the following characteristics: leading market positions in well-established industries, high rates of return on funds employed, conservative capitalization structures with moderate reliance on debt and ample asset protection, broad margins in earnings coverage of fixed financial charges and high internal cash generation, and well-established access to a range of financial markets and assured sources of alternate liquidity.

Prime-2-Issuers (or related supporting institutions) rated "Prime-2" have a strong ability for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternative liquidity is maintained.

#### **Standard & Poor's Ratings Group**

A-1-This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus (+) sign designation.

A-2-Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated "A-1".