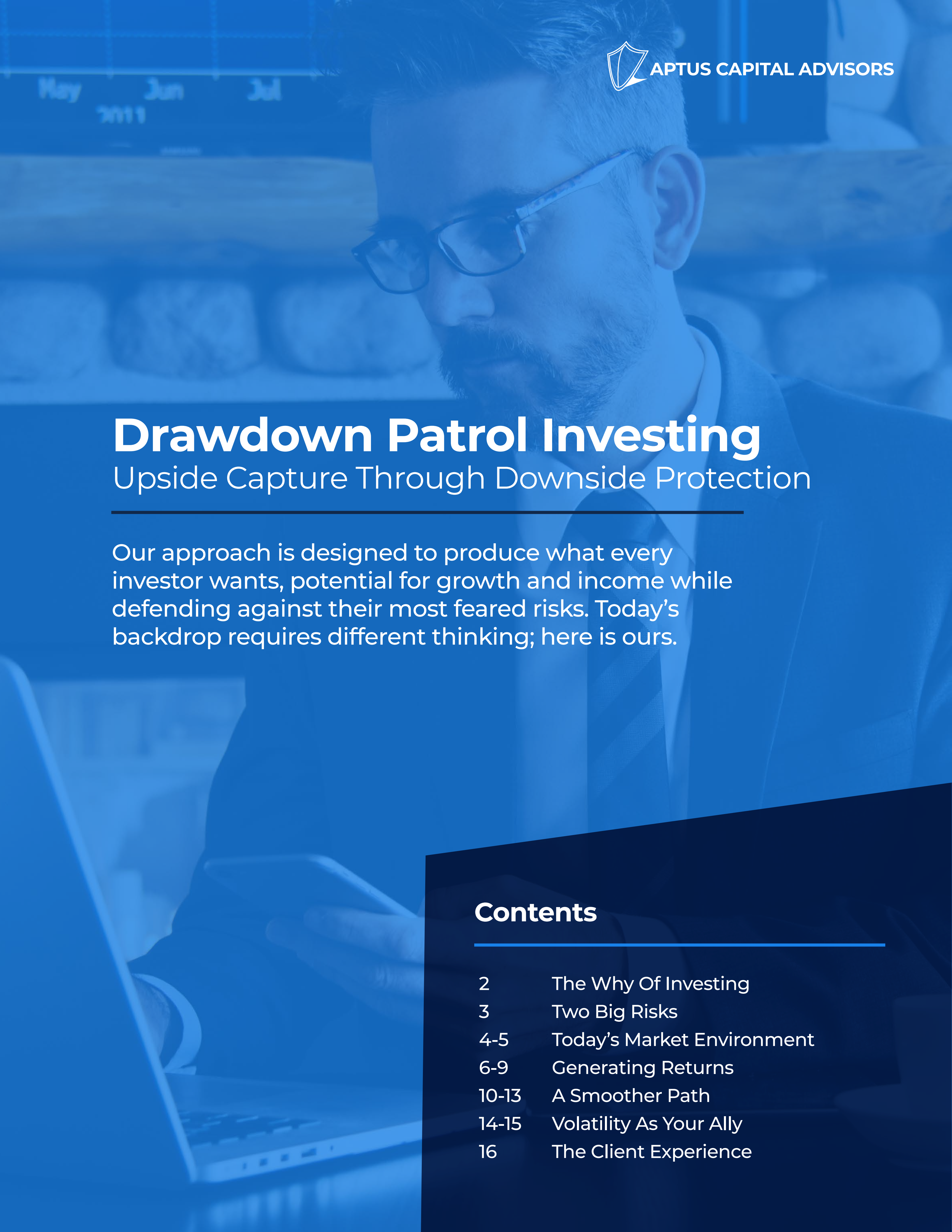


APTUS CAPITAL ADVISORS

Drawdown Patrol Investing

Upside Capture Through Downside Protection

Our approach is designed to produce what every investor wants, potential for growth and income while defending against their most feared risks. Today's backdrop requires different thinking; here is ours.

Contents

Why Invest?

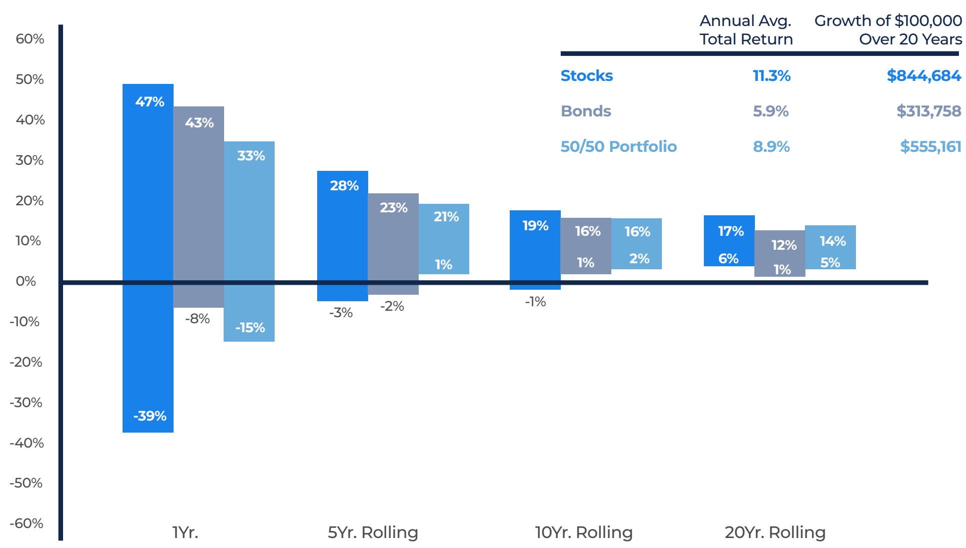
To meet future spending needs, right? It may be spending by us. It may be the spending of our heirs or favorite causes. Either way, putting today's dollars under the mattress is not going to get it done.

Investors often underestimate their time horizon and the compounding power that can bring. We design portfolios to help harness that power, meet client needs, and empower advisors to deliver consistently around the following three questions:

- **Am I going to be ok?**
- **Can I maintain my family's quality of life?**
- **Can I improve it?**

For those consistently investing, short-term ups and downs have added up to long-term gains in every 20 year period in U.S. history.

Range Of Stock, Bond, And Blended Total Returns
Annual Total Returns, 1960-2019



Source: JP Morgan

"In the short-run, the market is a voting machine…but in the long-run, the market is a weighing machine." - Benjamin Graham

What Are the Risks?

The primary investing dangers we worry about generally fall into one of two categories:

Longevity Risk - outliving your money

This threat is sneaky, and hard to recognize in the moment. An apparent sense of security today is exchanged for a dangerous longer-term shortfall.

Drawdown Risk - losing your money

Can strike without warning. Easy to spot in hindsight, hard to swallow, and should be avoided because of.... math:

Don't Dig A Hole

Drawdown	% To Recover	Years To Recover*
5%	5.3%	0.67
10%	11.1%	1.37
20%	25.0%	2.90
30%	42.9%	4.63
40%	66.7%	6.64
50%	100.0%	9.01

The ability to reduce drawdown can shorten recovery time

Source: Aptus Research
*Assumes recovery = 8% Net CAGR

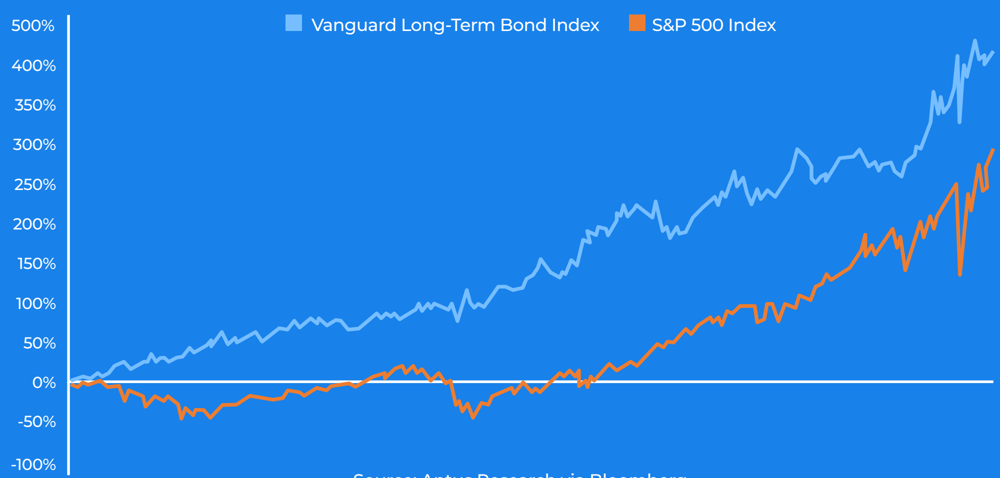
"The most important job is to strike the appropriate balance between offense and defense."

Howard Marks

Current Environment

Traditionally, lowering risk has meant owning more bonds and fewer stocks. The 60/40 portfolio has been great for the past 20 years. Let's take a look below...the 60% from stocks has gone up, but look at the 40% going to bonds! Not everyone realizes this, the more conservative asset (bonds) known for stability has actually returned more than stocks!

Vanguard Long-Term Bond Index vs S&P 500 Index Total Returns 01/01/2000 to 12/31/2020

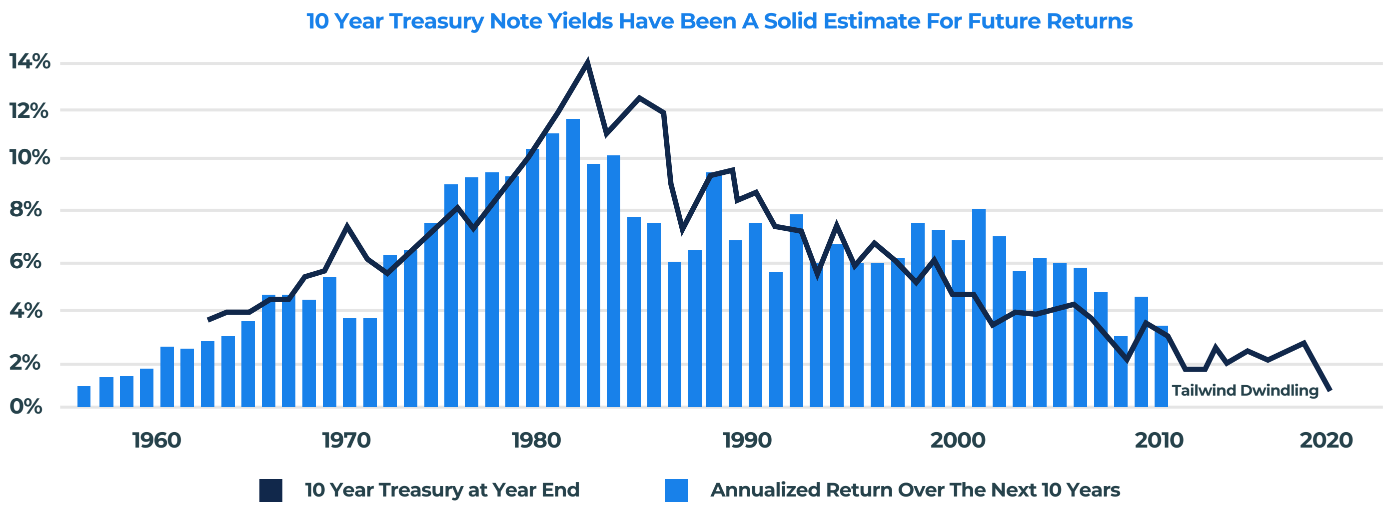


Source: Aptus Research via Bloomberg

Remember, falling interest rates lead to higher bond prices and vice versa. Bonds have juiced portfolio returns because interest rates have fallen. That bond you bought 10 years ago with a 5% coupon is worth a lot more to someone else today, given the lower rate environment.

Can Bonds Crush Stocks in the *Next* 20 Years, Again?

With yields near all-time lows, it's critical to understand that bonds > stocks will not likely repeat itself over the next 20 years. The reality of today's historically low yields impacts *nearly every portfolio*.



Source: Bloomberg, Aptus Research

How we build portfolios, to address longevity risk and explicitly manage drawdown risk, is the heart of what differentiates our approach. That conversation starts with understanding where returns come from...

How Are Returns Generated?

Returns are generated in one of three ways:

Yield : Dividends + Interest
Growth : Annualized Improvement
Valuation : Changing Investor Appetite

Decade	Yield	+	Earnings Growth	+	Valuation Change	=	Annual Returns
1900s	3.9%		4.7%		0.9%		9.5%
1910s	4.2%		2.0%		-2.9%		3.4%
1920s	3.7%		5.6%		4.6%		13.9%
1930s	3.1%		-5.7%		1.6%		-1.0%
1940s	4.2%		9.9%		-6.4%		7.8%
1950s	4.1%		3.9%		10.1%		18.1%
1960s	3.1%		5.5%		-1.2%		7.3%
1970s	3.4%		9.9%		-8.0%		5.3%
1980s	3.4%		4.4%		8.6%		16.4%
1990s	1.7%		7.7%		8.2%		17.6%
2000s	1.5%		0.6%		-2.9%		-0.8%
2010s	1.9%		10.6%		0.7%		13.3%
Avg Contribution To Returns	3.2%		4.9%		1.1%		9.2%

Source: John Bogle, Robert Shiller, Aptus Research

Here's a simple example of each...

You buy a share of company ABC for $10. Company ABC generates $2 a share of earnings. You paid a valuation of 5 times(5x) earnings for your investment. Simple example, but hopefully brings clarity.

Yield–This piece is the easiest to quantify as it's simply the return of capital on your investment. Sticking to our example, if Company ABC pays a dividend of $0.50, that's a 5% return on your $10 investment. As the prior chart shows, dividends have been a more reliable source of return than growth and valuations.

Growth–Let's revisit your investment and go back to our starting valuation of 5x earnings. Recapping, you paid $10/share with company ABC generating $2/share in earnings. Well, good news. Company ABC just landed their biggest customer, earnings are now $3/share. If valuations remain the same (5x earnings), Company ABC now trades at $15/share... a 50% return on your initial investment, not bad.

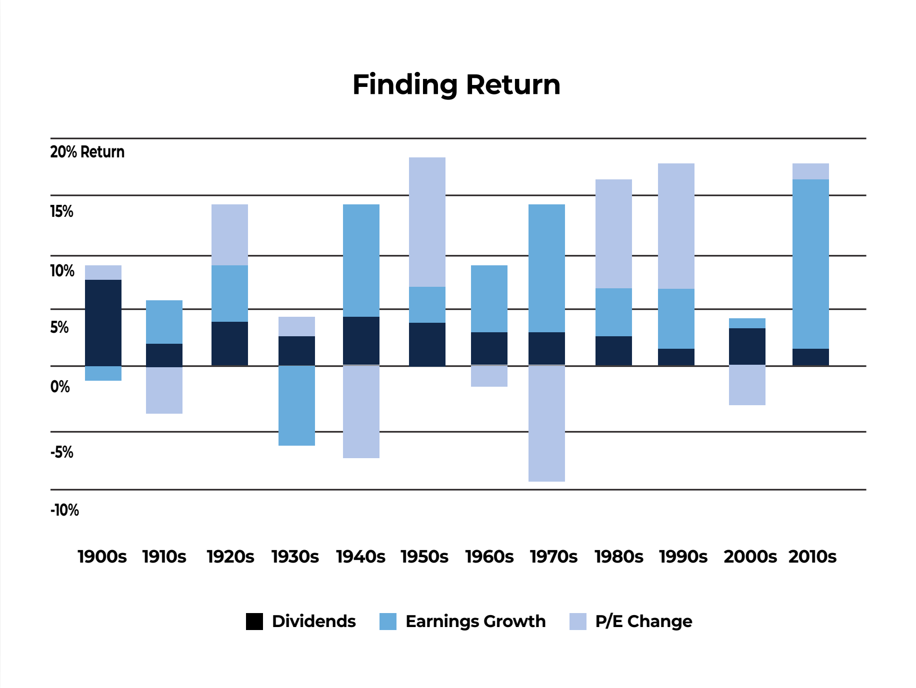
Valuation Change–There are rumors floating about Company ABC and its potential over the next year. Nothing has actually changed, but people's expectations are rising. The rising expectations have caused the stock price to adjust to $12 a share. You bought in at a valuation of 5x earnings and now, the same company with the same $2 of earnings, is trading for 6x earnings –a valuation change that generated a 20% return on your investment. Valuation change has been the most fleeting source of return, and over time, it matters less than you might think.

"The market's not a very accommodating machine; it won't provide high returns just because you need them."

-Peter Bernstein

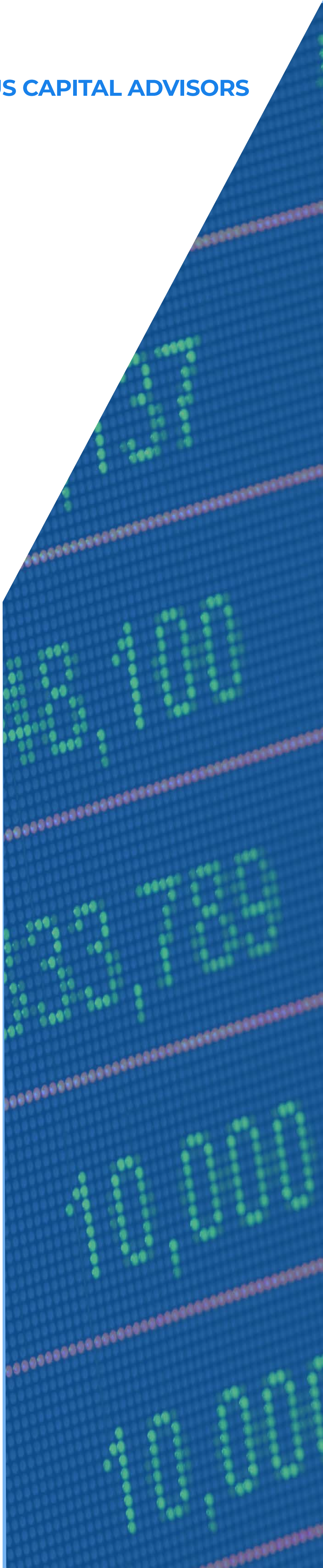
Finding Return

Of the 3 drivers of return we place the highest emphasis on understanding yield and growth. If we do a decent job on yield and growth, we view positive valuation change as icing on the cake.



Source: Aptus Research via Robert Shiller, Bloomberg

Control what you can control. Growth can go negative, valuation change can go negative, ***dividends paid cannot.***



Yield

Today's market has us focused on consistent and repeatable yield vs high absolute yield. Our focus is on the **quality** of yield. As famously quoted by Raymond DeVoe of Legg Mason. *"More money has been lost reaching for yield than at the point of a gun."*

Growth

An understanding of growth at the individual security level is important to portfolio construction overall, driving what to own and what to avoid. Growth cannot be measured in a vacuum, as we need to address valuation, quality, and momentum to understand the opportunity to compound capital.

The goal is not a crystal ball into the "best", but a clear process for avoiding the worst, and a sell discipline to identify change. A few filters we use...

In Search of Total Return

The Potential Of Compounding Capital

Business Growth +

- Growth In Sales
- Growth In EBIT
- Growth In Margins
- Growth In Earnings
- Growth In Dividencs
- Extensive Opportunities to Reinvest FCF Organically or Through M&A

Valuation +

- Price-to-Earnings
- Dividende Yield
- EV/EBITDA
- Price-to-Book

Profitability +

- Enduring, Predictable
- High ROE and FCF
- Strong ROIC
- Strong Balance Sheets
- Down Market Performance

Momentum

- Trading Above Its 50-day
- Moving Average
- Proximity to 52-Week Highs
- 1-Year Relative Performance
- 6- Month Relative Performance

Our portfolios within this framework

This Y + G framework drives decisions at the asset class level down to the individual security level. Our goal is to compound capital, and today's market pushes allocations towards stocks and away from bonds. But doesn't that increase the volatility in our portfolios?

Enter...The Drawdown Patrol

"The essence of investment management is the management of risks, not the management of returns. Well-managed portfolios start with this precept." Benjamin Graham

We view a portfolio as a fragile package in our hands, to get from point A to point B. Rather than depend on a smooth ride to our destination, we wrap the package with layers of protection to defend against the market's inevitable bumps along the way.

How we get from point A to point B matters in enhancing outcome.

Our first layer of protection is diversification. This isn't all that different.

It's the additional layers of protection we include in the portfolios that makes our approach different. It changes the math and gives our investors the comfort of risk management over and above diversification.

We balance risk and returns for three reasons:

1. **To be able to allocate to areas of higher return (stocks)**
2. **To reduce drawdown and the emotions that come along with it**
3. **To turn market drawdowns into opportunity**

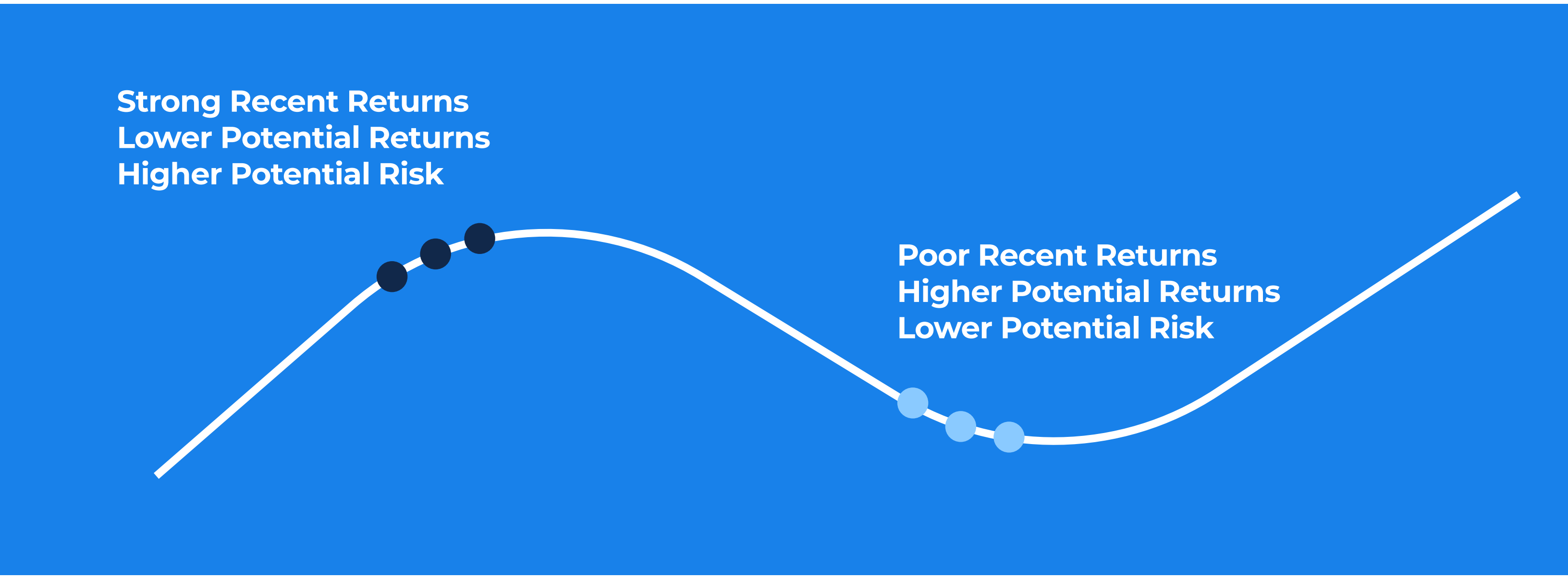
Lower prices can lead to higher returns in the future, but that only matters if you have cash to take advantage of it. Let's dig in...

Valuations Matter

Let's ingrain this simple concept in our minds: Today's valuations impact tomorrow's return in the stock market.

Markets oscillate from periods of higher valuations to lower valuations. High valuations tend to mean lower future returns with higher risks, a ***bad*** combination.

The opposite is also true. Low valuations tend to mean higher future returns with lower risks, a ***good*** combination. This simple concept is critical when thinking about the Drawdown Risk mentioned earlier.



We believe deploying cash in a market priced at 15 times earnings is far more attractive than one priced at 25 times. The trick is having cash to deploy when that's the case.

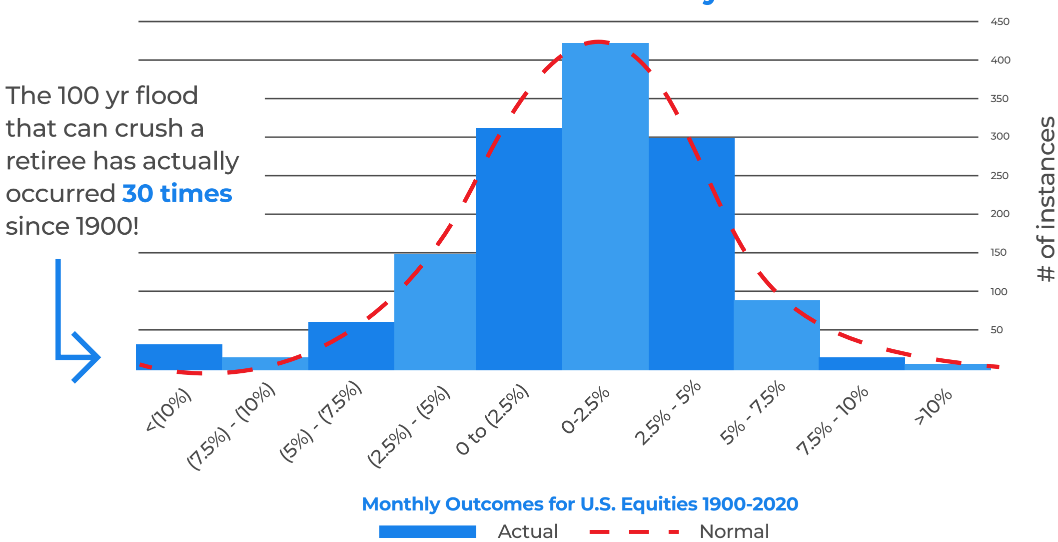
APTUS CAPITAL ADVISORS

Managing Drawdown

Drawdown risk doesn't sneak up on you; it smacks you in the face. Nothing gets a client more uncomfortable than watching account values drop.

History has shown how hard it is to stick with things if it means riding the market's waves without a plan to protect capital. We provide that plan. It's **peace of mind** through portfolio construction that explicitly manages drawdown risk. We can't avoid volatility, but we can be positioned to take the sting out of severe market drawdowns.

Distribution of Monthly Returns



Source: Robert Shiller, Aptus Research

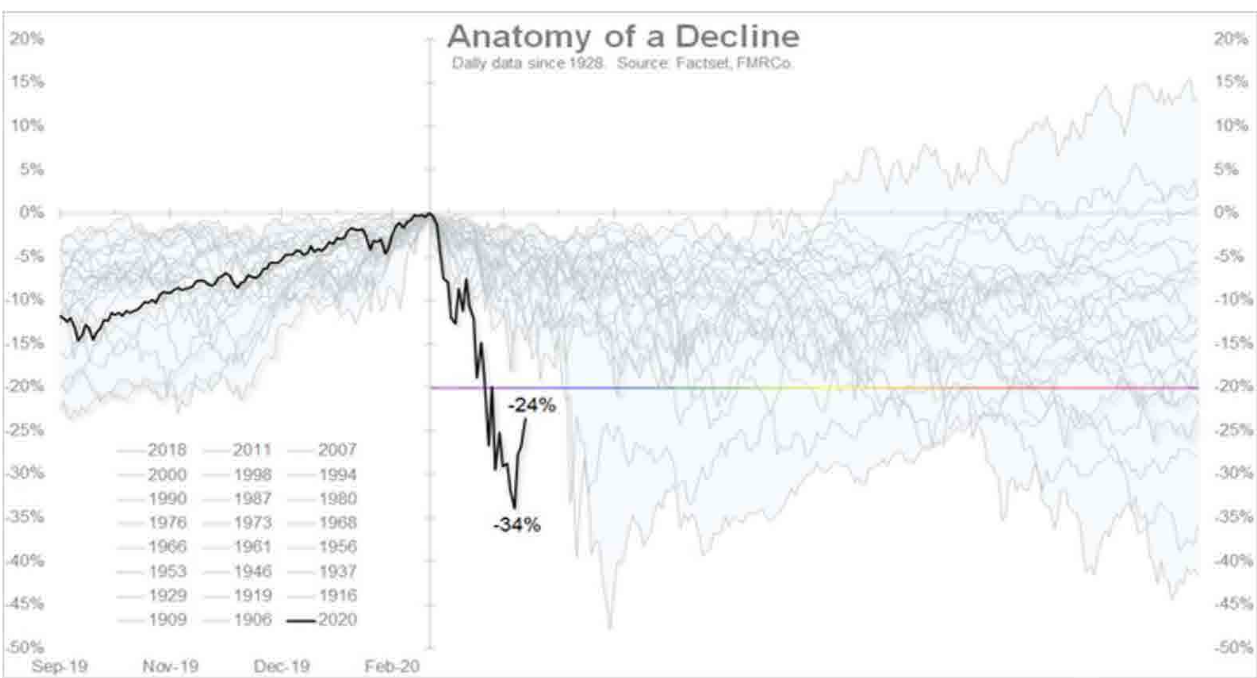
This is designed to capture more of the good and less of the bad while maintaining explicit focus on avoiding drawdown.

Our portfolios all contain active hedges to protect against disaster. For you statisticians out there, disaster could also be referred to as left tail market events. Our aim is to chop off left tails, which happen more than most expect and leave mathematical and behavioral wreckage behind.

Narrow the Range of Outcomes

We protect our cars, our lives, our health with insurance, why would we not protect our wealth? Our portfolio's insurance comes in the form of options that rise in value when market prices drop and/or volatility rises.

These offsetting exposures rise in a non-linear way (meaning, "a lot!") during market drawdowns. Don't let the fancy word get in the way. It's similar to a term insurance policy that costs $400 a year for a $1 million of insurance. If you don't use the insurance, great, that $400 didn't prevent you from enjoying your life. If you do use it, that $400 provides an enormous amount of non-linear payout!



Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 03/26/2020. Past performance is no guarantee of future results. Fidelity

Attention to the left tail chop improves our ability to pursue long-term growth of capital.

Turning Volatility into Your Opportunity

The benefit of blending diversification, hedging, and long volatility exposure is that you are positioned to chop the left tail and avoid serious drawdown.

But the real benefit is how it can **create capital** at the precise time that a market decline is testing most investors.

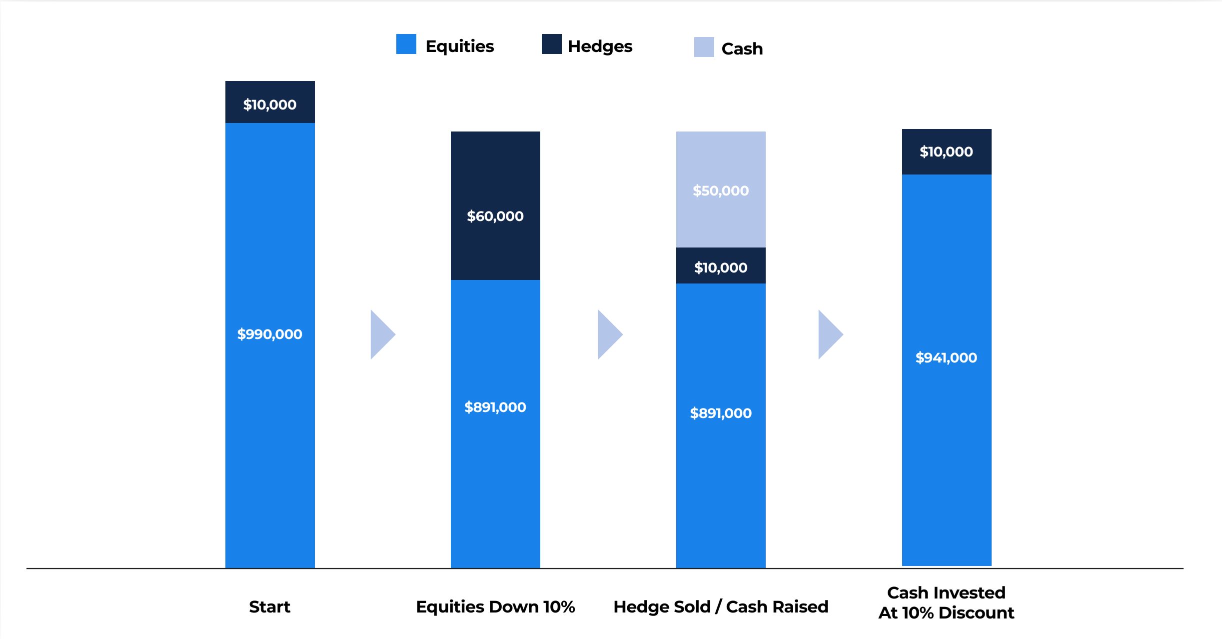
We believe that a focus on risk management can lead to higher returns, and scour each corner of a portfolio to make volatility our friend. In other words, **we manage risk to pursue higher return.** Everyone wants to "buy low" but sitting in a 2% money market waiting for prices to drop is not a formula for success.

If markets drop 20%, the forward return potential goes up. That's great for the younger investor adding money monthly. It's not so good for folks already in retirement.

Unless, the drawdown creates the capital to deploy back into a market when the forward-looking opportunity is much better. Next, a hypothetical illustration of how our added layers of protection have the potential to create capital as prices drop.

Buying the dip is great in theory but you need cash available to do it.

To bring this all together, we deploy a series of strategies that defend against the most visible risk (drawdown). This protection opens the door to pursue higher embedded returns at the initial allocation, and provides cash to buy into short term market dips.



Source: Aptus Hypothetical Illustration

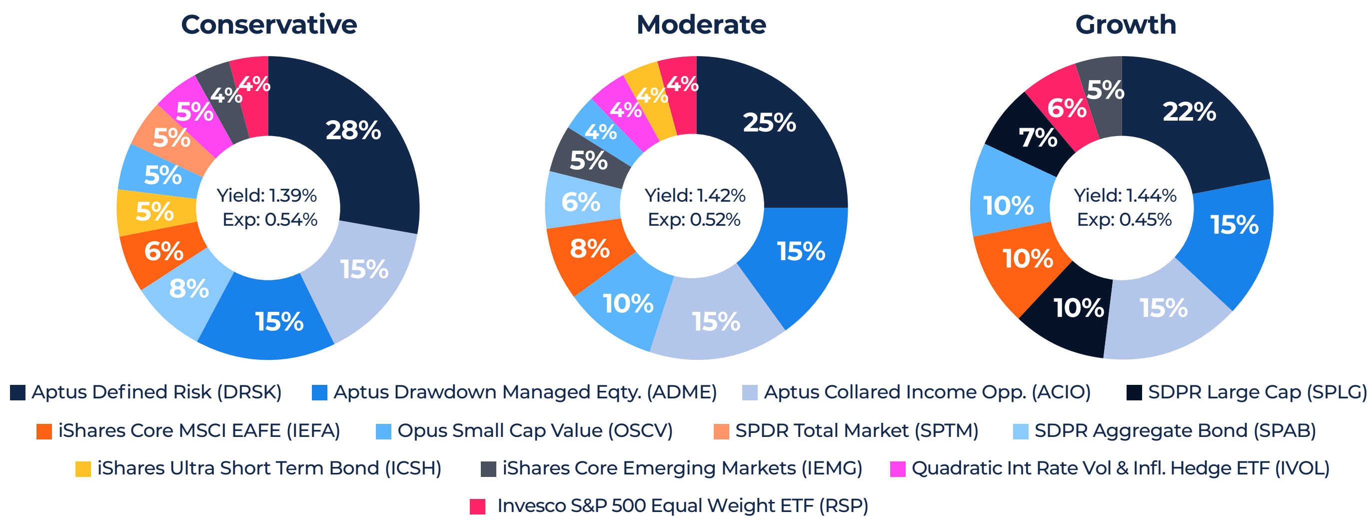
The above example is shown for informational purposes only and should not be interpreted as actual historical performance of Aptus Capital Advisors, LLC. Results are hypothetical and do not reflect trading in actual accounts. The actual results of individual clients will differ due to many factors, including individual investments and fees, individual client restrictions, and the timing of investments and cash flows. Clients should not rely solely on this or any other performance illustrations when making investment decisions.

APTUS CAPITAL ADVISORS

What This Looks Like for Clients

Once the advisor does the hard work of helping clients organize their financial lives, and determines the return stream that defines a successful outcome, they can select from a series of models matched to client needs, risk tolerance, and risk capacity.

The resulting portfolio is low cost, tax efficient, risk-mitigated, and streamlined. A blend of passive and active ETFs and/or individual securities to deliver a portfolio blend designed to adapt and adjust to the market environment.



Holdings as of 06/30/21 Please see attached disclosures.

Our advisor partners have shown that an environment of unmatched service, improved economics, and consistent communication can be transformational for both their clients and their practices. We take pride in helping advisors shepherd clients from Point A to Point B and beyond, and hope sharing our risk-managed approach helps bring peace of mind to all involved.

Impact Series Performance (as of 06/30/21)	Q2	YTD	1Yr	3Yr	1/1/2017 Inception	Equities	Fixed	Hedged Eq.
iShares Allocation ETF 30:70	3.42%	3.14%	11.35%	7.87%	7.11%	30%	70%	0%
Aptus Impact Series : Conservative	**3.64%**	**4.63%**	**10.95%**	**7.74%**	**7.97%**	**30%**	**40%**	**30%**
iShares Allocation ETF 40:60	3.71%	4.55%	15.18%	8.84%	8.22%	40%	60%	0%
Aptus Impact Series: Moderate	**4.80%**	**7.61%**	**20.30%**	**8.80%**	**10.41%**	**40%**	**30%**	**30%**
iShares Allocation ETF 60:40	4.78%	7.51%	22.97%	10.61%	10.29%	60%	40%	0%
Aptus Impact Series: Growth	**5.93%**	**9.49%**	**24.46%**	**9.62%**	**11.93%**	**50%**	**20%**	**30%**
iShares Allocation ETF 80:20	5.74%	10.27%	31.01%	12.23%	12.34%	80%	20%	0%

The performance data represents past performances & does not guarantee future results. Investment return & principal value of an investment will fluctuate, so an investor's shares may be worth more or less than original when sold. Current performance may be higher or lower than quoted performance. Returns are expressed in US Dollars, & period >1 year are annualized. Returns include all fund expenses & maximum trading fee of 0.15% charged by Aptus, but actual client results may be lower based on imposition of the investor. For performance through most recent month endm please call (251)517-7198 or visit impact-series.com/fact-sheets/

The Impact Series is a model portfolio solution developed by Aptus Capital Advisors, LLC. Aptus Capital Advisors, LLC is a Registered Investment Advisor (RIA) registered with the Securities and Exchange Commission and is headquartered in Fairhope, Alabama. Registration does not imply a certain level of skill or training. For more information about our firm, or to receive a copy of our disclosure Form ADV and Privacy Policy call (251) 517-7198 or contact us here. Information presented on this site is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any securities or to advise on the use or suitability of The Impact Series, or any of the underlying securities in isolation. Information specific to the underlying securities making up the portfolios can be found in the Funds' prospectuses. Please carefully read the prospectus before making an investment decision.

This fact sheet offers generalized research, not personalized investment advice. It is for informational purposes only and does not constitute a complete description of our investment services or performance. Nothing on this fact sheet should be interpreted to state or imply that past results are an indication of future investment returns. All investments involve risk and unless otherwise stated, are not guaranteed. Be sure to consult with an investment & tax professional before implementing any investment strategy.

Portfolio holdings information as June 30, 2021. There is no assurance that the specific securities listed will remain in the Portfolio. Asset allocation and portfolio holdings may differ from the model among accounts in the composite. Aptus employs a diversification strategy using a combination of tactical and strategic, active and index-based Exchange Traded Funds to represent specific asset classes. These representations should not be considered a recommendation to buy or sell an ETF. As with all investments, ETFs have risks. For more information or a prospectus, please contact your Investment Advisor.

The Impact Series Benchmarks are the iShares Core Allocation ETFs. iShares Core Asset Allocation ETFs are designed as diversified core portfolios based on the specific risk consideration of the investor. Each iShares Core Allocation Fund offers exposure to US stock, international stock, and bond at fixed weights and holds an underlying portfolio of iShares Core Funds. Investors choose the portfolio that aligns with their specific risk consideration. iShares Core Allocation ETFs offer investments to meet a Conservative (iShares Core Conservative Allocation ETF), Moderate (iShares Core Moderate Allocation ETF), Growth (iShares Core Growth Allocation ETF), and Aggressive (iShares Core Aggressive Allocation ETF). Source: Blackrock. The volatility (standard deviation) of the Impact Series may be greater than that of the benchmark.

Investing involves risk. Principal loss is possible. Investing in ETFs is subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of the shares may trade at a discount to its net asset value (NAV), an active secondary market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares. Shares of any ETF are bought and sold at Market Price (not NAV) and are not individually redeemed from the fund. Brokerage commissions will reduce returns. Market returns are based on the midpoint of the bid/ask spread at 4:00pm Eastern Time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times. Diversification is not a guarantee of performance and may not protect against loss of investment principal. ACA-20-88.

APTUS CAPITAL ADVISORS

265 Young Street Fairhope, AL 36532 251.517.7198 info@aptuscapitaladvisors.com