INVESTMENT CASE

SPAX

Robinson Alternative Yield Pre-Merger SPAC ETF

RETHINKING THE “TRADITIONAL 40”

Three Eras of Fixed Income

Historically, fixed income was a reliable source of steady income with strong principal protection. Today, investment grade bonds offer less income than the stock market, and principal protection for the overall bond market is almost non-existent. Traditional fixed income investing is failing to satisfy investors’ needs for income and principal protection.

Impact on Traditional 60/40 Stock/Bond Portfolios

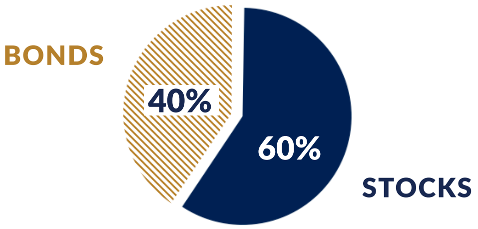
The 60/40 portfolio was a logical investment approach from 1980 to 2010, when bond yields – and principal protection – were high. But today, the 60/40 approach is ineffective.

In this investment case, we explore replacing a portion of the “traditional 40” allocation with SPAX.

The 60/40 Approach: Three Eras and Three Levels of Efficacy

	1980-2010	2010-2020	PRESENT
BOND YIELDS[1] →	From 12% to 3%, over 30 years	2.4% on average	1.5% as of May 11, 2021
60/40 EFFICACY →	**Generally successful**	**Less successful**	**Not effective**
BOND PRINCIPAL PROTECTION →	Strong principal protection	Modest principal protection	Minimal principal protection
BOND CARRY vs EQUITIES →	Large positive carry	Barely positive carry	Negative carry
BOND-EQUITY CORRELATION →	Negative correlation	Near-zero correlation	Positive correlation

> *“We believe SPAX is a compelling alternative as a portion of the “40” allocation since it has the potential to provide downside risk mitigation with upside potential.”*



---

1 As represented by the Barclays Aggregate Bond Index

There is no guarantee that adding SPAX to a portfolio will provide principal protection or increase a portfolio’s yield. Past performance is no guarantee of future results.

SPAX ETF

The Robinson Alternative Yield Pre-Merger SPAC ETF (SPAX) is an Actively Managed Exchange-Traded Fund that Intends to Invest Primarily in Pre-Merger SPACs.

SPAX seeks to provide total return while minimizing downside risk.

Robinson Capital intends to sell SPAC investments in the SPAX portfolio prior to completed business combinations.

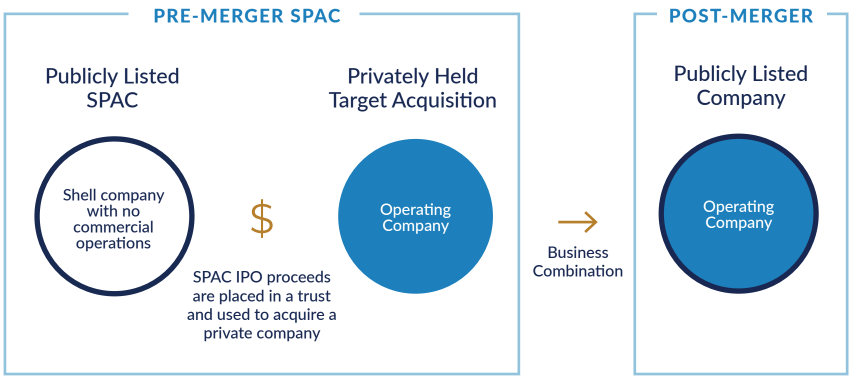
Positioning of SPAX

- SPAX seeks to serve as a potential partial allocation within the “40” portion of the 60/40 stock/bond portfolio mix
- SPAX seeks to access a diverse set of SPACs through a liquid ETF structure
- Robinson Capital will actively adjust portfolio holdings toward those SPACs it deems to be most attractive at any point in time

A SPAC IS AN ALTERNATIVE TO TRADITIONAL IPOs

SPACs Provide Access to Private Markets through Liquid Publicly Traded Securities

A Special Purpose Acquisition Company, also known as a blank check company, is a company formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring (or merging with) one or more existing private companies. SPACs generally have 18-24 months to complete a business combination.



WHY PRE-MERGER SPACs

SPAC Structural Characteristics

The inherent structural characteristics of SPACs have the potential to mitigate risk. Net proceeds from the IPO are placed in a bankruptcy-remote trust account that gives dissenting SPAC shareholders the right to redeem. This protection is lost after the private company is taken public.

PRE-MERGER SPAC		POST-MERGER PUBLIC COMPANY
POTENTIAL DOWNSIDE The worst-case redemption of the SPAC is to receive a pro rata share of the trust[1]	→	**POTENTIAL DOWNSIDE** 100% loss in value
POTENTIAL UPSIDE Appreciation in price is dictated by the market	→	**POTENTIAL UPSIDE** Appreciation in price is dictated by the market

---

[1] If shares are purchased in the open market, you are only entitled to your pro rata share of the trust account and not the price at which you bought the SPAC shares on the market.

SPAX Investment Discipline is Based on SPAC Mechanics

LEGEND

Upside Potential
Downside Risk Mitigation

SPAX ETF

SPAX INVESTMENT DISCIPLINE

Buy Discipline

Invest primarily in pre-merger SPACs

SPAX seeks to purchase SPAC **COMMON SHARES** at or below redemption value

SPAX seeks to purchase SPAC **UNITS** at or below intrinsic value

“DESIRED OUTCOME”

Sell Discipline

SPAX aims to sell **COMMON SHARES** and **UNITS** with meaningful capital appreciation after a target company is announced

“WORST CASE”

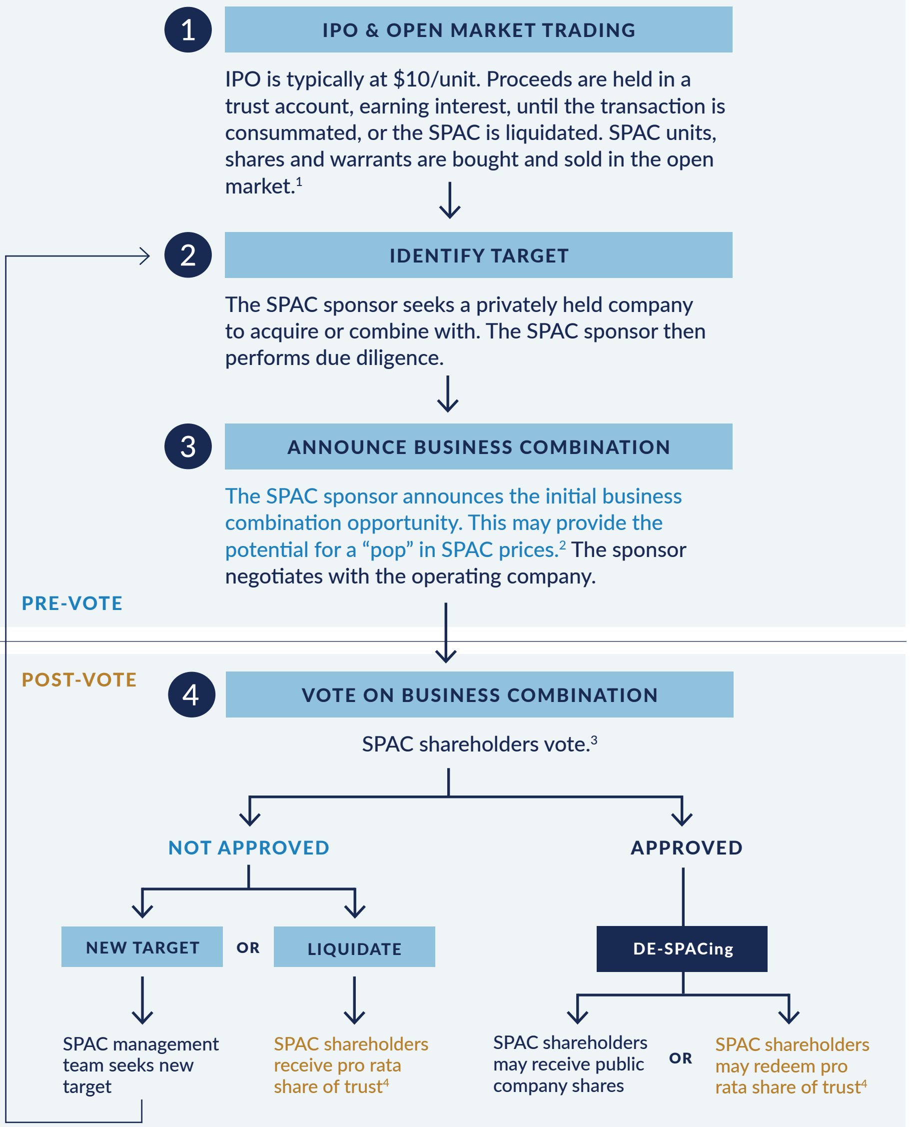
Sell Discipline

SPAX may be able to redeem **COMMON SHARES** at the pro rata share of the trust

SPACs

PRE-MERGER SPAC

Four Phases



PRE-VOTE

1 **IPO & OPEN MARKET TRADING**

IPO is typically at $10/unit. Proceeds are held in a trust account, earning interest, until the transaction is consummated, or the SPAC is liquidated. SPAC units, shares and warrants are bought and sold in the open market.[1]

2 **IDENTIFY TARGET**

The SPAC sponsor seeks a privately held company to acquire or combine with. The SPAC sponsor then performs due diligence.

3 **ANNOUNCE BUSINESS COMBINATION**

The SPAC sponsor announces the initial business combination opportunity. This may provide the potential for a “pop” in SPAC prices.[2] The sponsor negotiates with the operating company.

POST-VOTE

4 **VOTE ON BUSINESS COMBINATION**

SPAC shareholders vote.[3]

NOT APPROVED

NEW TARGET OR **LIQUIDATE**

SPAC management team seeks new target

SPAC shareholders receive pro rata share of trust[4]

APPROVED

DE-SPACing

SPAC shareholders may receive public company shares OR SPAC shareholders may redeem pro rata share of trust[4]

SPAX aims to exit all SPAC positions prior to deal completion.

---

1 Generally, common shares and warrants may be traded individually about 50 days after the IPO.
2 Due to an exuberance in the marketplace, SPACs have traded above their IPO prices (“pop”), but there is no guarantee this will continue. In fact, some SPACs may trade below their IPO price of $10.00.
3 Public stockholders of SPACs may not be afforded a meaningful opportunity to vote on a proposed initial business combination. As a result, a SPAC may complete a business combination even though a majority of its public stockholders do not support such a combination.
4 If shares are purchased in the open market, you are only entitled to your pro rata share of the trust account and not the price at which you bought the SPAC shares on the market.

ROBINSON

Sponsor Relationships and Access to SPACs

As active managers of closed-end funds, Robinson has expertise performing due diligence on managers. This experience is critical for assessing SPAC investments, since it is the sponsors, their skills and connections that matter.

Additionally, Robinson's strategic trading partners allow it the opportunity to source IPO units and block liquidity.

Robinson Capital

Robinson Capital, LLC is an independent investment advisor that provides customized investment management services for RIAs, family offices, broker-dealers and institutions.

Founded in 2012, Robinson Capital manages traditional and alternative fixed income solutions employing an investment approach that seeks to limit investors' downside risk while maintaining upside potential. The firm serves as investment sub-adviser to the Robinson Alternative Yield Pre-merger SPAC ETF (ticker: SPAX).

GLOSSARY

Acquisition target	The SPAC sponsor identifies a private company, or acquisition target, for the SPAC.
Blank check company	SPACs are sometimes called "blank check companies," because SPAC investors buy shares without knowing the private company that will be acquired.
Business combination	The SPAC sponsor announces an initial business combination after the acquisition target has been identified and due diligence has been performed.
Carry	For bonds, carry is the coupon on the bonds minus the interest costs of short-term borrowing. For equities, carry is the dividend yield minus the interest costs of short-term borrowing.
Correlation	Correlation is a statistical association that describes how two variables move in concert with each other. Positive correlation means the two variables move in the same direction. Negative correlation means the two variables move in opposite directions. Zero correlation means the two variables move independently to each other.
De-SPACing	The process of "de-SPACing" occurs once the business combination has been finalized. The SPAC no longer exists.
SPAC	A Special Purpose Acquisition Company, also known as a blank check company, is a company formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring (or merging with) one or more existing private companies.
SPAC units, shares & warrants	SPAC units are offered at the time of the IPO. A unit consists of a share of common stock and a (portion of a) warrant. Beginning approximately 50 days after IPO, the common stock and warrants may be bought and sold separately.
Sponsor	The management company that forms the SPAC and bears offering expenses is the sponsor. Sponsors commonly receive founders shares.
Trust account	Cash raised by a SPAC is held in a trust account, and generally invested in relatively safe interest-bearing instruments, until a business is acquired, or the SPAC is liquidated without an acquisition and the money is returned to investors.
Warrant	A warrant gives the holder the right to purchase a specific number of shares of common stock at a specific price during a specific period of time.

DISCLOSURES

Fund Risks

Investing involves risk. Principal loss is possible.

ETFs may trade at a premium or discount to their net asset value. Brokerage commissions are charged on each trade which may reduce returns.

The Fund invests in equity securities and warrants of SPACs, which raise assets to seek potential business combination opportunities. Unless and until a business combination is completed, a SPAC generally invests its assets in U.S. government securities, money market securities, and cash. Because SPACs have no operating history or ongoing business other than seeking a business combination, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable business combination. There is no guarantee that the SPACs in which the Fund invests will complete a business combination or will be profitable.

Some SPACs may pursue a business combination only within certain industries or regions, which may increase the volatility of their prices. To the extent a SPAC or the fund is invested in cash or cash equivalents, this may impact the ability of the Fund to meet its investment objective. Investments in a SPAC may be considered illiquid and subject to restrictions on resale.

The Fund may purchase warrants to purchase equity securities. Investments in warrants are pure speculation in that they have no voting rights and pay no dividends. They do not represent ownership of the securities, but only the right to buy them. Warrants involve the risk that the Fund could lose the purchase value of the warrant if the warrant is not exercised or sold prior to its expiration. The Fund may also purchase securities of companies that are offered in an IPO. The risk exists that the market value of IPO shares will fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, a small number of shares available for trading and limited information about the issuer. Such investments could have a magnified impact on the Fund.

Some sectors of the economy and individual issuers have experienced particularly large losses due to economic trends, adverse market movements and global health crises. This may adversely affect the value and liquidity of the Fund's investments especially since the fund is non-diversified, meaning it may invest a greater percentage of its assets in the securities of a particular industry or sector than if it was a diversified fund. As a result, a decline in the value of an investment could cause the Fund's overall value to decline to a great degree.

The Fund is a recently organized management investment company with limited operating history and track record for prospective investors to base their investment decision.

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus. A prospectus or summary prospectus may be obtained by calling 1-833-743-0330 or by visiting our website at www.robinsonetfs.com. Please read the prospectus or summary prospectus carefully before you invest.

The Robinson Alternative Yield Pre-Merger SPAC ETF is distributed by Foreside Fund Services, LLC.

Robinson Capital, LLC
SPAX: The Robinson Alternative Yield Pre-Merger SPAC ETF
Phone: (833) 743-0330
Email: contact@robinsonetfs.com
Website: www.robinsonetfs.com