

NEOS

NEOS: The Next Evolution of Options Strategies

Seeking High Monthly Income and Tax Efficiency

With inflationary pressures across the globe stoking market volatility and agitating investor sentiment, the quest for meaningful returns on investments becomes an ongoing challenge. Where is yield to be captured in what remains a historically low-yield environment while also allowing investors maintain purchasing power?

NEOS aims to maximize your income while minimizing tax consequences through the core exposure most investors have come to know and trust.

Potential Benefits of our Next Evolution Options Strategies (NEOS):

1. Seeks high monthly income
2. Aim to capitalize on tax efficient product structures and fund management.
3. Function as an income enhancing complement to core portfolio allocations
4. Meet investor demands across both fixed income and equity allocations
5. Utilize data-driven research that seeks to enhance investor outcomes

Overcoming Challenges to Income Generation in a Post-Pandemic Inflationary Environment

The stress points of re-opening economies are still sending shockwaves through global markets and investor portfolios. Market landscapes are likely to continue shifting as companies juggle rising distribution costs worsened by heightened oil prices and earnings pressure from deteriorating margins and elevated employment costs. Meanwhile, fixed income investments are subject to ebbs and flows of the credit market more than ever as inflationary pressures push investors further out on the Yield curve to find meaningful yield (likely diminishing their purchasing power over the long term). With regulators like the Federal Reserve seeking to tame inflation on a trajectory that could further slow consumer spending and even stall the economic restart, generating meaningful income becomes increasingly difficult and may come with a number of embedded risks.

As the frequency of once-in-a-generation events seemingly increases, traditional income-oriented investments may no longer provide the income potential investors need. The capital you invest requires strategies that consider the challenges of our current market while aiming to evolve with our marketplace.

Our Next Evolution of Options Strategies are designed to help navigate the challenges of modern markets, providing income generation and tax-efficiency layered on top of the core portfolio exposures across equities, fixed income, and cash.

ETFs that seek income as the outcome

When seeking income is the desired outcome, more investors may be turning to options trading to supplement their portfolio yield. The liquidity and growing accessibility of options markets provide more opportunities to supplement return and protect purchasing power, while the scope and complexity of options investments benefit from an experienced manager.

NEOS solutions seek to offer higher income with greater tax efficiency.

Multi-dimensional products | NEOS options-based solutions are designed to generate monthly income AND provide compelling total returns in tax efficient offerings.

Actively-managed approach | a data-driven approach utilizing systematic, rules-based active management aims to enhance investor outcomes throughout different market cycles.

Core portfolio building blocks | NEOS ETFs offer core portfolio exposure with data-driven options strategies seeking monthly income, packaged into accessible ETFs. The result is high income potential for equities and enhanced income potential for fixed income and cash alternatives.

Income generation overlay | income is added through options premiums by writing call spreads on equity products or put spreads on fixed income and cash alternative products. This alternative approach to traditional income focused investments may help offset inflation risk in portfolios and combat personal cost.

Tax Efficient Income from NEOS ETFs

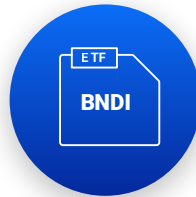
- NEOS ETFs utilize index options classified as Section 1256 contracts, which receive a more favorable tax rate):
 - 60% of capital gains from option premiums are subject to a lower, long-term tax rate, even if held less than a year
 - 40% short term capital gains are taxed as ordinary income
- Fund managers seek to take advantage of tax loss harvesting opportunities within each portfolio
- **SPYI:** The majority of income generated by the fund will come from index option premium subject to favorable 60/40 tax rates
- **BNDI:** The enhanced income delivered through options premium generated from the sale of SPX Index Put options (in addition to the interest generated by the underlying fixed income investments) is subject to favorable 60/40 tax rates
- **CSHI:** Treasury bills are not subject to state and local taxes. Additionally, the enhanced income delivered through options premium generated from the sale of SPX Index Put options receives favorable 60/40 tax treatment

*Core investment exposure + data-driven options strategy =
higher income potential in a tax-efficient manner*



**NEOS S&P 500
High Income ETF**

Ticker: SPYI



**NEOS Enhanced Income
Aggregate Bond ETF**

Ticker: BNDI



**NEOS Enhanced Income
Cash Alternative ETF**

Ticker: CSHI

Comparison of NEOS ETF Strategies

Characteristics of Next Evolution of Options Strategies and potential benefits to investors.

Equity ETF – SPYI

NEOS S&P 500 High Income ETF

- Core equity ETF that seeks to provide a high monthly income stream
- Majority of income potential is generated from the sale of SPX Index **call** options subject to favorable 60/40 tax rates.
- Fund managers aim to take advantage of tax loss harvesting opportunities within the portfolio
- Opportunity for upside participation when market conditions warrant

Fixed Income ETFs – BNDI and CSHI

*NEOS Enhanced Income Aggregate Bond ETF
NEOS Enhanced Income Cash Alternative ETF*

- Core fixed income and cash alternative ETFs that seek to provide enhanced monthly income (above investing in the same underlying exposure)
- Enhanced income potential is generated from the sale of S&P 500 index **put** options.
- Seeks to maintain a similar risk profile as the underlying index investment
- Fund managers aim to take advantage of tax loss harvesting opportunities within the portfolio
- May limit credit, duration, and inflation risks present in many fixed income investments

NEOS is a specialized asset manager that aims to enhance investor outcomes that brings together a seasoned team with a proven track record of launching innovative investment products.

To learn more about NEOS and the Next Evolution of Options Strategies visit:

NEOSFunds.com

Investors should carefully consider the investment objectives, risks, charges and expenses of Exchange Traded Funds (ETFs) before investing. To obtain an ETF's prospectus containing this and other important information, please call (866) 498-5677 or go to <https://neofunds.com>. Please read the prospectus carefully before you invest.

An investment in NEOS ETFs involve risk, including possible loss of principal. The equity securities purchased by the Funds may involve large price swings and potential for loss. The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. The use of leverage by the Fund, such as borrowing money to purchase securities or the use of options, will cause the Fund to incur additional expenses and magnify the Fund's gains or losses. The earnings and prospects of small and medium sized companies are more volatile than larger companies and may experience higher failure rates than larger companies. Small and medium sized companies normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures and may have limited markets, product lines, or financial resources and lack management experience. The funds are new with a limited operating history.

NEOS ETFs are distributed by **Foreside Fund Services, LLC**.

Definitions:

Options: An option refers to a financial instrument that is based on the value of underlying securities such as stocks. An options contract offers the buyer the opportunity to buy or sell—depending on the type of contract they hold—the underlying asset.

Put: A put option (or “put”) is a contract giving the option buyer the right, but not the obligation, to sell—or sell short—a specified amount of an underlying security at a predetermined price within a specified time frame.

Call: Call options are financial contracts that give the option buyer the right but not the obligation to buy a stock, bond, commodity, or other asset or instrument at a specified price within a specific timeperiod.

Duration: Duration can measure how long it takes, in years, for an investor to be repaid a bond's price by the bond's total cash flows. Duration can also measure the sensitivity of a bond's or fixed income portfolio's price to changes in interest rates.