

MIAX Pearl Equities Exchange Product Circular 2025-4187

DATE: February 18, 2025

TO: MIAX Pearl Equities Member

FROM: MIAX Pearl Equities Listings Department

RE: Day Hagan Smart Buffer ETF– DHSB

This Product Circular is being issued to advise you that the following security has been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as a UTP Derivative Security pursuant to Exchange Rule 2900.

| <u>Security (the “Fund”)</u> | <u>Symbol</u> |
|------------------------------|---------------|
| Day Hagan Smart Buffer ETF | DHSB |

Issuer Trust: Day Hagan Asset Management

Issuer Website: www.dhfunds.com

Primary Listing Exchange: NYSE Arca

The purpose of this Product Circular is to outline various rules and policies that will be applicable to trading in this new product pursuant to the Exchange’s unlisted trading privileges, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the “Issuer Disclosure Materials.”

Background Information on the Funds

The Fund is an actively managed exchange-traded fund (“ETF”) that, under normal circumstances, seeks to achieve its investment objective principally by investing in U.S.-listed exchange-traded funds (“U.S. Equity ETFs,” and each, a “U.S. Equity ETF”) that replicate the performance of broad-based U.S. equity indexes (“U.S. Equity Indexes,” and each, a “U.S. Equity Index”), equity securities of companies within such indexes (“U.S. Equity Securities,” and collectively with U.S. Equity ETFs and U.S. Equity Indexes, “U.S. Equity Investments”), and utilizing options and/or options “spreads” on U.S. Equity Investments. The equity securities and options held by the Fund

will be listed on U.S. exchanges, and may include common stocks, American Depositary Receipts (“ADRs”) (i.e., receipts evidencing ownership of foreign equity securities) and real estate investment trusts (“REITs”). The Fund may invest in securities from a broad range of market capitalizations, including large-cap stocks typically exceeding \$10 billion, mid-cap stocks generally between \$2 billion and \$10 billion, and small-cap stocks generally below \$2 billion. The Fund’s investments in these market segments may expose it to varying degrees of liquidity risk, market volatility, and company-specific risk associated with each capitalization range, which may impact the Fund’s performance depending on prevailing market conditions.

The Fund will use options to generate income and hedge against losses. The Fund’s options strategies typically consist of utilizing a combination of purchased and written (sold) call and/or put options (known as a “spreads”) to generate income and hedge against losses. The Fund will primarily seek to implement an options strategy with two components: (i) selling covered call options on up to 100% of the U.S. Equity Investments to generate premium from such options, while (ii) simultaneously reinvesting a portion of such premium to buy put options or put spreads on the same U.S. Equity Investments to “hedge” or mitigate the downside risk associated with owning equity securities. Put option and put spreads purchased by the Fund will typically be near the current at-the-money strike price (i.e., strike price that is roughly equal to the current market price of the reference asset) but may have a strike price that is lower (in some cases, significantly lower) than the current price of the reference asset. At the sole discretion of the Fund’s investment advisor, Day Hagan Asset Management (the “Advisor”), when the Adviser determines that prevailing market conditions are not advantageous for implementing the Fund’s options strategies or a portion of the option strategies, such strategies may not be employed or may be partially employed. In these circumstances, the Fund may not utilize options contracts to establish caps or buffers in their entirety, meaning there will be no or reduced predetermined limits on potential gains or protections against downside losses typically associated with such strategies. As a result, the Fund’s performance during these periods will reflect the market performance of its underlying investments without the effects of caps or buffers, which may lead to increased exposure to market volatility and risk of loss. Investors should be aware that the absence of options strategies during these times may affect the Fund’s risk and return profile.

Options contracts generally are agreements where: (i) the purchaser of an option pays a cost (the “premium”) for the right to buy (for a call option) or sell (for a put option) a specified reference asset at a specified price (“strike price”) until a specified date (“expiration date”); (ii) and conversely, where the seller receives a premium and is obligated to sell (for a call option) or buy (for a put option) shares of a specified reference asset at a specified strike price until a specified expiration date. Options selected for the Fund may be “rolled” periodically (based on the levels of the underlying holdings) to continue generating income or to reflect the Advisor’s revised outlook on the underlying portfolio security. When an option is rolled, the Advisor simultaneously closes one option contract and enters another on the same reference asset. The new contract entered can have a further-dated expiration (i.e., the option would be rolled “out”), a higher strike price (i.e., rolled “up”), a lower strike price (i.e., rolled “down”), or a combination of both a different expiration and strike. The decision to roll options and rebalance the portfolio is at the discretion of the Advisor.

The Fund’s assets will include option holdings, the value of which is derived from the performance of the underlying U.S. Equity Investments. However, a component of an option contract’s value is the remaining time until expiration. Accordingly, the Fund’s NAV will not be directly correlated on a day-to-day basis with the price or returns experienced by the U.S. Equity Investments. The Advisor anticipates that the Fund’s NAV will move in the same direction as the U.S. Equity Investments; however, the Fund’s NAV may not increase or decrease at the same rate as the value of the U.S.

Equity Investments. It is possible that the degree of non-correlation between the value of the options and the value of the underlying U.S. Equity Investments will be higher than if the options had a shorter term. The Advisor generally anticipates that the Fund’s NAV will increase on days when the value of the U.S. Equity Investments increases and will decrease on days when the U.S. Equity Investments decreases, but that the rate of such increase or decrease will be less than that experienced by the U.S. Equity Investments. The Fund seeks to generate returns that match the U.S. Equity Investments up to the cap while limiting downside losses if the options are held until expiration and not rolled, as discussed below in the sections titled “Buffer on Potential Losses” and “Cap on Potential Upside Returns.”

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Fund of the principal risks of an investment in the Fund. These include tracking error risk (factors causing a Fund’s performance to not match the performance of its underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non - diversification risk, issuer-specific risk, management risk, concentration risk, equity securities risk, and passive investment risk.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on MIAX PEARL is subject to MIAX PEARL trading rules.

Trading Hours

The value of the Index underlying the Shares will be disseminated to the data vendors every 15 seconds during the Regular Trading Session.

The Shares will trade on MIAX Pearl Equities between 4:00 am and 8:00 pm (EST). Please note that trading in the Shares during the Exchange’s Early and Late Trading Sessions (“Extended Market Sessions”) may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Dissemination of Data

The Consolidated Tape Association will disseminate real time trade and quote information for the Shares to Tape B.

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| Day Hagan Smart Buffer ETF | NYSE Arca | DHSB | DHSB.IV | DHSB.NV |

Delivery of a Prospectus

MIAX PEARL Equity Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund's website. The prospectus for the Fund does not contain all of the information set forth in the Fund's Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and in the future make available a written product description, MIAX PEARL Rules requires that MIAX PEARL Equity Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, MIAX PEARL Equity Members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by an MIAX PEARL Equity Member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the UTP Exchange Traded Products] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Exchange Traded Products]."

A MIAX PEARL Equity Member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to MIAX PEARL Equity Member under this rule. Upon request of a customer, MIAX PEARL Members also shall provide a copy of the Prospectus.

Suitability

Trading in the securities on the Exchange will be subject to the provisions of MIAX PEARL Rule 2107 and other applicable suitability rules. Equity Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

MIAX PEARL will halt trading in the Shares of a security in accordance with MIAX PEARL Rules. The grounds for a halt under MIAX PEARL Rules include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, MIAX PEARL will stop trading the Shares of a security if the primary market de-lists the security.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission (the "SEC") has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria. AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-

ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any “distribution participant” and its “affiliated purchasers” from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Fund to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned Fund (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Fund for redemption does not constitute a bid for or purchase of any of the Fund’s securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

Rule 10b-10 (Customer Confirmations for Creation or Redemption of Fund Shares)

Broker-dealers who handle purchases or redemptions of Fund Shares in Creation Unit size for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to the Fund for purposes of purchasing Creation Unit Aggregations (“Deposit Securities”) or the identity, number and price of shares to be delivered by the Trust for the Fund to the redeeming holder (“Redemption Securities”). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemption is subject to the following conditions:

- 1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request
- 2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c); and
- 3) Except for the identity, number, and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

Rule 10b-17 (Untimely Announcement of Record Dates)

The SEC has granted an exemption from the requirements of Rule 10b-17 that will cover transactions in the Shares.

Section 11(d)(1); Rule 11d1-2 (Customer Margin)

The SEC has taken a no-action position under Section 11(d)(1) that will permit broker-dealers that do not create Shares but engage in both proprietary and customer transactions in such Shares exclusively in the secondary market to extend or maintain or arrange for the extension or maintenance of credit on the Shares, in connection with such secondary market transactions. For broker-dealers that engage in the creation of Shares, the SEC has also taken a no-action position under Rule 11d1-2 that will cover the extension or maintenance or the arrangement for the extension or maintenance of credit on the Shares that have been owned by the persons to whom credit is provided for more than 30 days.

Rule 14e-5

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of the Fund (1) to redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more Creation Unit Aggregations of Shares, if made in conformance with the following:

- 1) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchase; or
- 2) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- 3) such bids or purchases are not effected for the purpose of facilitating such tender offer.

SEC Rule 15c1-5 and 15c1-6 (Disclosure of Control and interest in Distributions)

The SEC has taken a no-action position under Rule 15c1-5 that will permit a broker-dealer to execute transactions in Shares without disclosing any control relationship with an issuer of a component security. In addition, the SEC has taken a no-action position under Rule 15c1-6 that will permit a broker dealer to execute transactions in the Shares without disclosing its participation or interest in a primary or secondary distribution of a component security.

This Product Circular is not a statutory prospectus. MIAX PEARL Equity Members should consult the prospectus for a security and the security's website for relevant information.

Please direct product listing questions to MIAX PEARL Equities Listings at Listings@miaxglobal.com or (609) 897-7308.

Please direct regulatory questions to the MIAX PEARL Regulatory Department at (609) 897-7309 or Regulatory@miaxglobal.com.