

**Matrix Trust Company  
Collective Investment Trusts  
For Employee Benefit Plans  
3EDGE TargetRisk Funds**

Financial Statements as of and for the period from  
January 31, 2023 (commencement of operations)  
to May 31, 2023, and Independent Auditor's Report

# MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

## 3EDGE TargetRisk Funds

### TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS AS OF AND FOR THE PERIOD ENDED MAY 31, 2023	5
STATEMENT OF FINANCIAL CONDITION	5
SCHEDULE OF INVESTMENTS	6
STATEMENT OF OPERATIONS	7
STATEMENT OF PARTICIPANTS' INTEREST	8
FINANCIAL HIGHLIGHTS	9
NOTES TO FINANCIAL STATEMENTS	10



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**INDEPENDENT AUDITOR’S REPORT**

To the Trust Committee of Matrix Trust Company Collective Investment Trusts for Employee Benefit Plans

**Opinion**

We have audited the financial statements of 3Edge TargetRisk Conservative Fund, 3Edge TargetRisk Growth Fund and 3Edge TargetRisk Moderate Fund, three of the funds of Matrix Trust Company Collective Investment Trusts for Employee Benefit Plans (the “Funds”), which comprise the statements of financial condition, including the schedules of investments, as of May 31, 2023, and the related statements of operations, changes in participants’ interest, and the financial highlights for the period from January 31, 2023 (commencement of operations) through May 31, 2023, and the related notes to the financial statements (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as of May 31, 2023, and the results of their operations, changes in their participants’ interest, and financial highlights for the period from January 31, 2023 (commencement of operations) through May 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Funds and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Funds’ ability to continue as a going concern for one year after the date that the financial statements are issued.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures including examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Funds' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Deloitte & Touche LLP*

September 8, 2023

**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**3EDGE TargetRisk Funds**

**Statements of Financial Condition**

**May 31, 2023**

	<b>3EDGE TargetRisk Conservative Fund</b>	<b>3EDGE TargetRisk Growth Fund</b>	<b>3EDGE TargetRisk Moderate Fund</b>
<b>Assets</b>			
Investments at fair value (1)	\$ 41,016	\$ 44,581	\$ 900,676
Issuances receivable	-	-	8,822
<b>Total Assets</b>	<b>41,016</b>	<b>44,581</b>	<b>909,498</b>
<b>LIABILITIES AND PARTICIPANTS INTEREST</b>			
<b>Liabilities</b>			
Trustee fee payable Class I	2	1	62
Audit fee payable	7	7	144
Payable for securities purchased	-	-	265
<b>Total Liabilities</b>	<b>9</b>	<b>8</b>	<b>471</b>
<b>Participants' Interest</b>			
Participants' Interest	41,007	44,574	909,027
<b>Total Participants' Interest</b>	<b>41,007</b>	<b>44,574</b>	<b>909,027</b>
<b>Total Liabilities and Participants' Interest</b>	<b>\$ 41,016</b>	<b>\$ 44,582</b>	<b>\$ 909,498</b>
(1)Cost	\$ 41,032	\$ 44,732	\$ 899,896

*See notes to financial statements.*

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS  
Schedules of Investments  
May 31, 2023

3EDGE TargetRisk

	3EDGE Target Risk Conservative Fund				3EDGE TargetRisk Growth Fund				3EDGE TargetRisk Moderate Fund			
	Fair Value as a % of Participants' Interest				Fair Value as a % of Participants' Interest				Fair Value as a % of Participants' Interest			
	Shares	Cost	Fair Value		Shares	Cost	Fair Value		Shares	Cost	Fair Value	
<b>Exchange Traded Fund</b>												
Commodities												
SPDR Gold Minishares World Trust	123	\$4,736	\$4,789		203	\$7,922	\$7,924		3,617	\$140,091	\$140,866	
Commodities Total	11.7%	4,736	4,789		17.8%	7,922	7,924		15.5%	140,091	140,866	
<b>International Stock</b>												
Vanguard FTSE Europe ETF	46	2,730	2,775		94	5,686	5,690		1,162	69,973	69,991	
iShares MSCI Germany					141	3,816	3,945		1,566	42,460	43,812	
WisdomTree Europe SmallCap Dividend					69	3,977	3,877		612	35,341	34,445	
International Stock Total	6.8%	2,730	2,775		30.3%	13,479	13,512		16.3%	147,774	148,248	
<b>U.S. Bond</b>												
WisdomTree Floating Rate Treasury Fund	116	5,819	5,824									
BondBloxx Bbg One Yr Tgt Duration US Trea	282	14,086	14,034		82	4,118	4,102		5,311	265,189	264,208	
BondBloxx Bbg SixMth Tgt Duration US Trea	1	28	28		0	14	14		6	312	313	
iShares 0-3 Mth Treasury Bond ETF	0	16	16						6	599	601	
iShares 0-5 TIPS ETF TR Bond	51	4,938	4,952		28	2,727	2,734		836	81,763	81,971	
iShares 7-10 Year Treasury Bond ETF	41	4,105	4,062		46	4,534	4,486		914	90,569	89,667	
U.S. Bond Total	70.5%	28,992	28,916		25.4%	11,393	11,336		48.0%	438,432	436,760	
<b>U.S. Stock</b>												
iShares Core S&P 500 ETF	4	1,630	1,696		11	4,503	4,684		246	99,038	102,970	
SPDR S&P Dividend ETF	7	857	792		22	2,846	2,624		149	18,929	17,483	
Teucrium Ag Strategy No K-1 ETF	24	837	798		40	1,386	1,322		796	27,710	26,427	
Invesco Aerospace & Defense ETF					23	1,822	1,798					
U.S. Stock Total	8.0%	3,324	3,286		23.4%	10,557	10,428		16.2%	145,677	146,880	
Total Exchange Traded Fund	97.0%	39,782	39,766		96.9%	43,351	43,200		96.0%	871,974	872,754	
<b>Money Market</b>												
Fed Treasury Obligation Fund	1,250	1,250	1,250		1,381	1,381	1,381		27,922	27,922	27,922	
Total Money Market	3.0%	1,250	1,250		3.1%	1,381	1,381		3.1%	27,922	27,922	
Investment Total	100.0%	\$41,032	\$41,016		100.0%	\$44,732	\$44,581		99.1%	\$899,896	\$900,676	

**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**3EDGE TargetRisk Funds**

**Statements of Operations**

**For the period from January 31, 2023 (Commencement of operations) to May 31, 2023**

	<b>3EDGE TargetRisk Conservative Fund</b>	<b>3EDGE TargetRisk Growth Fund</b>	<b>3EDGE TargetRisk Moderate Fund</b>
<b>Investment income</b>			
Dividends	\$ 370	\$ 261	\$ 6,095
<b>Total investment income</b>	<u>370</u>	<u>261</u>	<u>6,095</u>
<b>Expenses</b>			
Audit fee	737	828	16,060
Trustee fees Class E	11	12	231
<b>Gross expenses</b>	<u>748</u>	<u>840</u>	<u>16,291</u>
Assumed audit fee <sup>(a)</sup>	<u>(730)</u>	<u>(821)</u>	<u>(15,916)</u>
<b>Net Expenses</b>	<u>18</u>	<u>19</u>	<u>375</u>
<b>Net investment income</b>	<u>352</u>	<u>242</u>	<u>5,720</u>
<b>Realized and unrealized gain/(loss) on investments</b>			
Net realized gain/(loss) on investments sold	(72)	(518)	(5,590)
Net change in unrealized appreciation/(depreciation) on investments	(16)	(151)	780
<b>Net realized and unrealized gain/(loss) on investments</b>	<u>(88)</u>	<u>(669)</u>	<u>(4,810)</u>
<b>Net increase(decrease) in participants' interest resulting from operations</b>	<u>\$ 264</u>	<u>\$ (427)</u>	<u>\$ 910</u>

See notes to financial statements.

<sup>(a)</sup> See note 5

**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**3EDGE TargetRisk Funds**

**Statements of Participants' Interest**

**For the period from January 31, 2023 (Commencement of operations) to May 31, 2023**

	<u>3EDGE TargetRisk Conservative Fund</u>		<u>3EDGE TargetRisk Growth Fund</u>		<u>3EDGE TargetRisk Moderate Fund</u>	
	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
Participants' interest as of Jan 31, 2023 (a)	-	\$ -	-	\$ -	-	\$ -
<b>From operations</b>						
Net investment income		352		242		5,720
Net realized gain/(loss) on investments sold		(72)		(518)		(5,590)
Net change in unrealized appreciation/(depreciation) on investments		(16)		(151)		780
Net increase/(decrease) in participants' interest resulting from operations		264		(427)		910
<b>From participating unit transactions</b>						
Issuance of units - Share Class E	4,073	40,742	4,500	45,000	90,793	908,117
Redemption of units - Share Class E	-	-	-	-	-	-
<b>Net increase/(decrease) from participating unit transactions</b>	4,073	40,742	4,500	45,000	90,793	908,117
Participants' interest at end of year	4,073	\$ 41,006	4,500	\$ 44,573	90,793	\$ 909,027

(a) Commencement of operations.



**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**3EDGE TargetRisk Funds**

**Financial Highlights**

**For the period from January 31, 2023 (Commencement of operations) to May 31, 2023**

	<b>3EDGE TargetRisk Conservative Fund Class E</b>	<b>3EDGE TargetRisk Growth Fund Class E</b>	<b>3DGE TargetRisk Moderate Fund Class E</b>
Selected per unit data			
Unit value beginning of period	\$ 10.00	\$ 10.00	\$ 10.00
Income from investment operations:			
Net investment income (a)	0.09	0.05	0.07
Net realized and unrealized gain/(loss) on investments	(0.02)	(0.14)	(0.06)
<b>Total from investment operations</b>	<b>0.07</b>	<b>(0.09)</b>	<b>0.01</b>
<b>Unit value end of period</b>	<b>\$ 10.07</b>	<b>\$ 9.91</b>	<b>\$ 10.01</b>
Total return (b)	0.70%	-0.90%	0.10%
<b>Ratios and supplemental data</b>			
Participants' interest, end of year	\$ 41,007	\$ 44,573	\$ 909,027
Ratio of net investment income to average participants' interest (c)	2.65%	1.62%	1.96%
Ratio of expenses to average participants' interest (c)	0.13%	0.13%	0.13%
Ratio of gross expenses to average participants' interest (c)	5.61%	5.63%	5.60%

(a) Net investment income per unit was calculated using the average shares method.

(b) Due to timing of participant unit transactions, the per unit amounts and total return presented may not agree with the change in aggregate gains and losses as presented on the statement of operations.

(c) Annualized

# MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

## 3EDGE TARGETRISK FUNDS

### NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM JANUARY 31, 2023 (COMMENCEMENT OF OPERATIONS) TO MAY 31, 2023

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#### 1. ORGANIZATION

The 3EDGE TargetRisk Funds (the Funds) are collective investment funds established under the Amended and Restated Declaration of Trust establishing the Matrix Trust Company Collective Investment Trusts for Employee Benefit Plans (Declaration of Trust) to provide for the collective investment and reinvestment of assets of qualified employer sponsored retirement plans. Matrix Trust Company (referred to herein as the Trustee) serves as the trustee, custodian, transfer agent, and record-keeper for the Funds. While the Trustee maintains all management authority, 3EDGE Asset Management, LP, (referred to herein as the Sub-Advisor) provides investment sub-advisory services for the Funds.

The following describes the individual Funds and their investment objectives, as set forth in the Declaration of Trust:

**3EDGE TargetRisk Conservative Fund** – The 3EDGE TargetRisk Conservative Fund (the “Conservative Fund”) is a globally diversified, multi-asset portfolio, invested across a wide variety of asset classes and geographies. Investment exposure is achieved primarily through the use of index exchange traded funds (ETFs). The portfolio seeks to focus more on preservation of capital and management of volatility. It may be appropriate for investors who are more risk averse, who may rely on the portfolio for current income or who are investing with a relatively shorter time frame (1-3 years), at least for this component of their overall liquid assets. The Conservative Fund does not necessarily focus on a particular target range for generating current income through dividends and interest, but rather takes a total return approach. Along with interest and dividends, the Conservative Fund will also rely on potential capital appreciation as a component of total portfolio returns.

**3EDGE TargetRisk Moderate Fund** – The 3EDGE TargetRisk Moderate Fund (the “Moderate Fund”) is a globally diversified, multi-asset portfolio, invested across a wide variety of asset classes and geographies. Investment exposure is achieved primarily through the use of index exchange traded funds (ETFs). The investment objective is to generate long-term capital appreciation and attractive risk-adjusted returns over full market cycles. The Moderate Fund may be appropriate for investors who are more focused on longer-term capital appreciation and have a time horizon of more than 3 years, at least for this component of an investor’s overall liquid assets.

**3EDGE TargetRisk Growth Fund** – The 3EDGE TargetRisk Growth Fund (the “Growth Fund”) is a globally diversified, multi-asset portfolio invested across a wide variety of asset classes and geographies. Investment exposure is achieved primarily through the use of index exchange traded funds (ETFs). The investment objective is to seek to generate long-term capital appreciation over full market cycles but with a lower risk profile in terms of volatility and maximum drawdown than a traditional all-equity portfolio. An appropriate time horizon for the Growth Fund would be more than 10 years, at least for this component of an investor’s overall liquid assets.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Funds in the preparation of the financial statements.

**Principles of Accounting**—The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP), as established by the Financial Accounting Standards Board (FASB), to ensure consistent reporting of financial condition and results of operations. The Funds each meet the definition of an investment company and therefore follow the investment company guidance in FASB Accounting Standards Codification (ASC) 946.

**Use of Estimates**—The preparation of financial statements in conformity with GAAP requires the Funds’ Trustee to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported results of operations during the reporting period. Estimates include determination of fair value of investments. Actual results could differ from those estimates.

**Cash and Cash Equivalents**—The Funds consider all highly liquid instruments with original maturities of three months or less at the acquisition date to be cash equivalents. Cash balances of the Funds pending investment or disbursement may be placed

overnight into a deposit account provided by an affiliate of the Trustee. The balance held on behalf of a Fund in the deposit account may be in excess of federally insured limits; however, management of the Funds does not believe the Funds are exposed to any significant credit risk.

**Investment Valuation**—The Funds record investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds utilize valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

The three levels of the fair value hierarchy are described below:

**Level 1**—Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access at the measurement date. The Funds do not adjust the quoted price for these investments, even in situations where the Funds hold a large position and a sale could reasonably impact the quoted price.

**Level 2**—Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

**Level 3**—Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

As of May 31, 2023, 100% of the Funds' investments are valued using Level 1 inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Funds' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and takes into consideration factors specific to the investment. The inputs or methodology used for valuing investments are not necessarily an indication of the risks associated with investing in those investments.

A description of the valuation techniques applied to the Funds' major categories of assets measured at fair value on a recurring basis follows:

**Short Term Money Market Funds, Mutual Funds, and Exchange Traded Funds**—Short term money market funds, mutual funds, and exchange traded funds are measured at fair value on a recurring basis using Level 1 inputs based on quoted prices for identical assets in active markets as of the measurement date.

**Investment Transactions and Dividends**—Investment transactions are recorded on the trade date. Realized gains and losses on investment transactions are determined on the average lot cost method and are included as net realized gain or loss on investments in the accompanying statements of operations. The difference between the cost and the fair value of open investments is reflected as unrealized appreciation (depreciation) on investments, and any change in that amount from the prior period is reflected in the accompanying statements of operations. Dividend income is recognized on the ex-dividend date.

**Federal Income Taxes**— Each of the Funds established hereunder is intended to qualify as a group trust under Revenue Ruling 81-100, 1981-1 C.B. 326, issued by the Internal Revenue Service, as clarified and modified by Revenue Ruling 2004-67, 2004-2 C.B. 28, Revenue Ruling 2011-01, 2011-2 I.R.B. 251. As a result, the Funds are exempt from federal income taxes under provisions of section 501(a) of the Internal Revenue Code

The FASB provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. As of May 31, 2023, and for the year then ended, management has determined that there are no material uncertain tax positions. The Funds file income tax returns in U.S.

federal jurisdiction. The current and prior three tax years generally remain subject to examination by U.S. federal tax authorities.

**Participant Transactions**—The unit values of the Funds are determined at the close of each business day that the New York Stock Exchange is open for business. Units may be issued and redeemed on any business day at the daily unit value. All earnings, gains, and losses of the Funds are reflected in the computation of the daily unit value and are realized by the participants upon redemption from the Funds. Net investment income and net realized gains are reinvested, and thus, there are no distributions of net investment income or net realized gains to participants.

### 3. PURCHASES, SALES, AND REALIZED GAIN (LOSSES) OF UNDERLYING INVESTMENTS

For the period ended May 31, 2023, the aggregate cost of purchases, proceeds from sales and realized gains (losses) of underlying investments were:

	Purchases	Proceeds from Sales	Net Realized Gain (Loss) on Investments
<b>3EDGE TargetRisk Conservative Fund</b>			
Commodities Exchange Traded Fund	\$4,899	\$171	\$8
International Stock Exchange Traded Fund	4,066	1,269	(67)
Money Market Fund	1,267	17	-
U.S. Bond Exchange Traded Fund	55,405	26,406	(8)
U.S. Stock Exchange Traded Fund	4,210	880	(5)
<b>3EDGE TargetRisk Conservative Fund Total</b>	<b>\$69,847</b>	<b>\$28,743</b>	<b>(\$72)</b>
<b>3EDGE TargetRisk Moderate Fund</b>			
Commodities Exchange Traded Fund	\$161,713	\$20,408	(\$1,214)
International Stock Exchange Traded Fund	222,467	70,628	(4,064)
Money Market Fund	28,557	634	-
U.S. Bond Exchange Traded Fund	848,069	409,408	(230)
U.S. Stock Exchange Traded Fund	166,256	20,497	(82)
<b>3EDGE TargetRisk Moderate Fund Total</b>	<b>\$1,427,062</b>	<b>\$521,575</b>	<b>(\$5,590)</b>
<b>3EDGE TargetRisk Growth Fund</b>			
Commodities Exchange Traded Fund	\$8,976	\$989	(\$65)
International Stock Exchange Traded Fund	19,699	5,777	(443)
Money Market Fund	1,428	47	-
U.S. Bond Exchange Traded Fund	26,967	15,569	(5)
U.S. Stock Exchange Traded Fund	11,559	996	(5)
<b>3EDGE TargetRisk Growth Fund Total</b>	<b>\$ 68,629</b>	<b>\$23,378</b>	<b>(\$518)</b>

### 4. SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred after May 31, 2023, through September 8, 2023, the date the financial statements were available to be issued.

### 5. RELATED-PARTY TRANSACTIONS AND FEES

The cash component for the Funds is held in a bank depository account maintained by the Trustee for retirement account customers.

In the event the audit fee impacts the Funds' unit values as determined on a daily basis, by an amount greater than \$0.005 per unit, the sub-advisor will assume such excess audit fees. In addition, if the audit fees caused the Funds' total expenses, including the expenses of the underlying assets, to exceed 2 percent of average participants' interest annually, the sub-advisor will assume such excess audit fees. For the year ended May 31, 2023, the Trustee did not assume any fees.

	Paid By Funds	Assumed by Sub-advisor	Total Audit Expense
3EDGE TargetRisk Conservative Fund	\$7	\$730	\$737
3EDGE TargetRisk Growth Fund	7	821	828
3EDGE TargetRisk Moderate Fund	144	15,916	16,060

The Trustee charges the Funds a fee in accordance with a tiered fee schedule (below) based on total assets held by external participants in the Funds with a common sub-advisor. The fee for the year ended May 31, 2023, was .8 percent per annum as total assets.

This fee accrues on a daily basis and is payable monthly in arrears.

- Total net assets under \$150 million, 8 basis point on total net assets
- Total net assets over \$150 million, but under \$500 million, 7 basis point on total net assets
- Total net assets over \$500 million, but under \$1 billion, 6 basis point on total net assets
- Total net assets over \$1 billion, 5 basis point on total net assets

## **6. RISKS AND INDEMNIFICATIONS**

In the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. The Funds expect the risk of future obligation under these indemnifications to be remote.

The managers of underlying collective investment funds in which the Funds may invest, may utilize derivative instruments with off-balance-sheet risk. The Funds' exposure to risk is limited to the amount of their investment in the underlying collective investment funds.

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