A Personal Note from Arne Alsin

Chief Investment Officer

I've been investing for more than thirty years. I started with Value Line in the late 1980s. To this day, I still enjoy printing out a full 10-K, marking it up with Post-its, and scribbling in the margins. Old habits die hard.

What's surprised me over the last few years is how rejuvenating artificial intelligence has been as a research tool. For a veteran money manager—one who's more than a little addicted to this game of investing—it's been a gift. I can explore industries more deeply and indulge all my esoteric curiosities. (If you ever feel like spending a few hours in the middle of the night learning about manufacturing in space, a large language model (LLM) is a pretty good companion.)

Some people say AI is coming for the stock-picking business. My response is: if there's an extinction event coming, it's more likely to hit the stock pickers who *aren't* using these tools. Longterm investing still requires conviction and context. You can't outsource either to a model.

We're always using new tools to aid in our research process. Indeed, 2025 was a strong year. We're seeing an accelerated rate of technological change, dislocations in prices, and even a bit of hype. This is all fertile ground for what we do best.

Long-term investing is the greatest game there is. It's part detective work, part treasure hunt. And with better tools and a long runway ahead, I feel energized about the future.

In the letter below, we'll share some of our thinking. Thanks for reading—and best wishes for your success in 2026.

Arne Alsin

Getting Into Position

In 2025, The Nightview Fund ETF (NYSE: NITE*) gained 22.56% (22.64% NAV), outperforming the S&P 500 Total Return, which rose 17.88%*.

*See below for more performance and disclosure information.

**Gross expense ratio of the fund is 1.25%

Dear Investors,

As we head into the New Year, we want to offer some views on where we think we're headed.

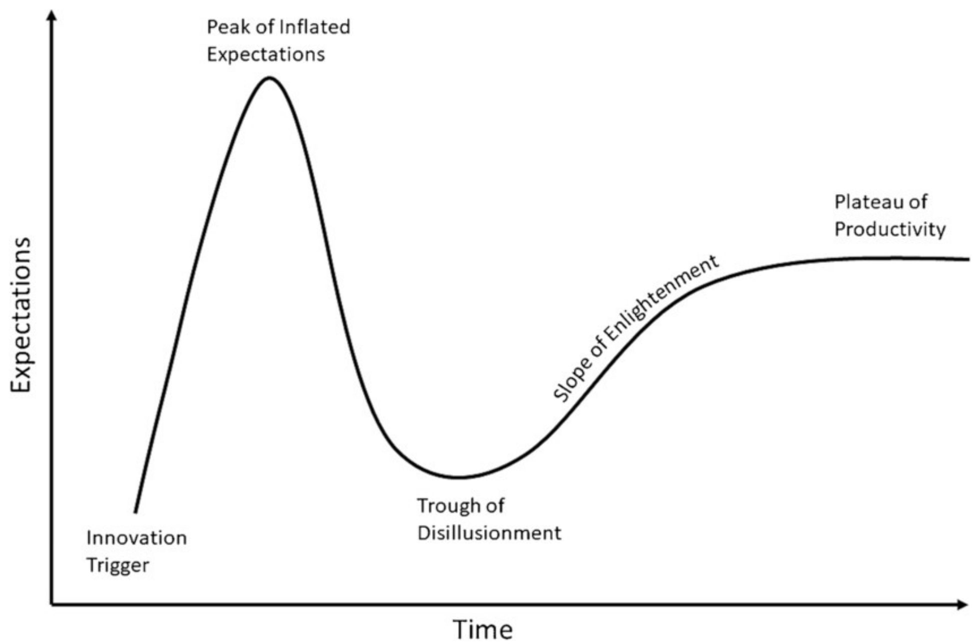
At a high level: we're very bullish on the opportunity set. Our 20-stock "best ideas" portfolio is designed to offer exposure to what we believe are the most attractive companies in the market today.

Unlike many other active Exchange Traded Funds (ETFs), NITE is not designed around any particular "trend." We're simply hunting for the best opportunities for investors who have a longterm mindset. We're also investing right alongside you and seeking to compound our capital for many years to come.

It's also worth acknowledging the backdrop many investors are navigating right now. The rise of AI has created an incredibly rich set of new opportunities—but it's also created pockets of risk and increasing levels of speculation. This is no surprise. Periods of rapid technological change tend to follow familiar patterns, perhaps best captured by the Gartner Hype Cycle, as depicted in the graph below.

Many of you will be familiar with this chart: early on, there's a booming hype cycle, which is followed by a "trough of disillusionment" when the innovation trigger fails to immediately deliver on expectations.

It's only later—when the frothier expectations have come down—does the magnitude of the shift become clear.

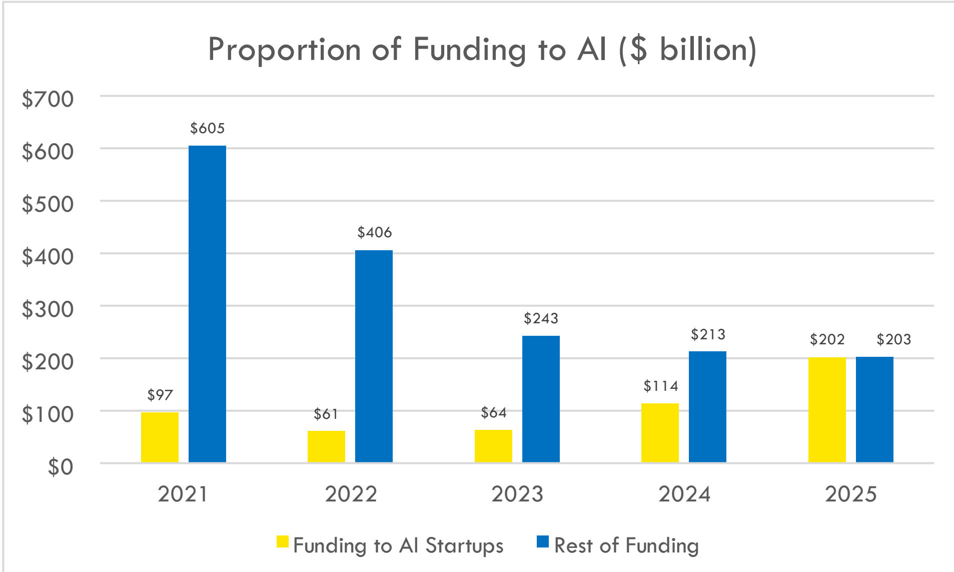


Of course, right now the Innovation Trigger is artificial intelligence, and the question, for any investor today, is where we are on this curve.

Our view is that AI will indeed be the biggest industrial technological revolution of the 21st century. We are believers that it will fundamentally shift the infrastructure of the global economy.

At the same time, we have become wary of over-inflated expectations, especially in private markets. According to data analyzed by Crunchbase, AI startups captured 50% of *all* venture capital investing in 2025, up 37% from a year prior. Another recent *Financial Times* analysis found that 10 unprofitable AI startups saw their combined market value hit $1 trillion in 2025.

In other words, 10 unprofitable private companies now have a total valuation that is roughly the same market capitalization as Berkshire Hathaway, which produced $88 billion in net income in 2024.



Source: Crunchbase (Dec. 14, 2025)

Since the public release of ChatGPT in November 2022, trillions of dollars have been invested or reallocated in response. A wave of competing models followed quickly—from Gemini to Deepseek to Claude. In our view, enthusiasm has often outpaced what is visible on the ground.

Progress has been meaningful, but largely iterative rather than explosive. There have been few "super intelligence" applications. For all the hype about how AI will change the world, to date, the most obvious financial beneficiaries have been infrastructure providers—semiconductors, storage, data centers—and the financial ecosystem that intermediates capital flows into the sector (as well as a handful of AI startups that have exited to the hyperscalers).

This does not mean we're not bullish on AI. In fact, it's the opposite. We just think the real boom will be when AI leaps from LLMs and into the real world. What does this mean?

In our view, AI will be a multi-decade transformation.

What matters to us is not the novelty of any individual productive-enhancing LLM-based tool, but the steady decline in the cost of intelligence itself. When foundational inputs like energy, computing, or intelligence become cheaper, entire industries reorganize around that fact.

Our view is that AI will fundamentally alter the landscape, just as combustion engine vehicles did a century ago. Cars and trucks enabled an era of efficiency while ushering in new business models altogether. The internet had a similar effect. Likely very few early users foresaw how many industries—from advertising to entertainment—would eventually be disrupted when they hooked their first computers up to the network.

We believe AI will follow a similar arc over the next few decades. In that sense, we believe the market is still underestimating both the proximity and the magnitude of real-world AI.

From Screens to the Physical World

Let's take a step back.

Much of the progress in AI so far has been driven by models trained on existing, humangenerated data. That phase has been important, but it is inherently constrained. The next phase of AI development, in our view, will be defined by systems that *learn* directly from the real world.

This distinction is critical.

When intelligence is embedded in physical systems—vehicles, warehouses, supply chains, machines, and networks—it becomes far harder to replicate. Data generated through real-world interaction is proprietary by nature. It compounds with use. And it creates feedback loops that purely digital systems will struggle to match.

As AI moves from static prediction into continuous interaction, the competitive landscape will shift. Advantage will accrue to companies that own fleets, sensors, logistics networks, and operating environments where learning happens through doing.

This is the core of our physical AI thesis, which is why we continue to be so bullish on Tesla.

Tesla: Autonomy as a Software Business

In our view, Tesla exemplifies this transition better than any other company in the public markets.

While the automotive business remains important, the longer-term opportunity lies clearly in software and autonomy.

We have been using Full Self-Driving (FSD) since its inception. And the dramatic improvement we have seen in FSD over the past year has provided us an increasing conviction that Tesla will achieve full autonomy. This improvement is tangible. Once experienced, it becomes difficult to imagine reverting to a world without it.

This matters because autonomy will not be fully understood—or correctly priced by markets— through spreadsheets alone. It will be internalized when people feel the shift personally. Markets will likely recognize this later.

In our view, Tesla's data advantage is structural. Every mile driven feeds a learning loop that competitors cannot replicate without similar scale or integration. As FSD rollouts continue through 2026, we believe this period may mark the point when the market begins to more fully appreciate the magnitude of the opportunity.

The auto business provides the foundation, but software and autonomy provide the upside.

Amazon: Physical AI at Scale

Our second largest holding is Amazon, which we have owned for many years.

Amazon's strength is often framed primarily through AWS, and rightly so. It is a world-class business that we believe will continue to grow as data gets consumed rabidly over the next few years. But we believe the potentially more underappreciated story is folded inside the core ecommerce operation.

Amazon has invested in this business for many years, which for a long time has obscured the true earnings power of retail in the long-run. That phase is now giving way to one of operating leverage. Incremental efficiencies—enabled by AI—are beginning to fall straight to the bottom line.

Two dynamics stand out.

First, the company is simply getting better at the basics. Inventory is moving faster. Costs are coming down. Savings are being passed to customers without sacrificing margins. This has been the result of years of grinding operational discipline.

Second, customer experience continues to improve. Reducing friction, surfacing more relevant purchase options, and tightening delivery loops all compound into a much stronger business than most realize, in our view.

The prevailing perception of Amazon retail as low-margin and mature lingers, which, we believe, along with growing competition in cloud has kept the stock in a relative standstill for much of the last few years. (Since the start of 2021, AMZN has underperformed the S&P 500.)

We believe that perception is outdated. When scale and AI-driven efficiencies converge, the earnings power of the business can be substantial—and may surprise the market to the upside.

Positioning Through Uncertainty

One of the defining features of the current environment is a widening opportunity set. Certain companies are already realizing tangible efficiency gains from AI, while others remain priced as though little will change.

Valuations across the market are uneven. In some areas, expectations remain elevated. In others, skepticism has gone too far. This creates room to be selective and to begin building positions where fundamentals are sound and the market has not fully priced in improvement.

This framework also informed our investment in Alibaba in 2025.

The business itself remains central to China's economy, with strong positions across e-commerce, cloud, logistics, and infrastructure. Fundamentals have remained solid, while market perception turned deeply negative. But over time, fundamentals matter more than sentiment. Always. When valuation implies little long-term growth despite durable economics, the risk-reward can become compelling.

Stocks can drift for years. But in the long run, cash flows decides value.

Normalization of Financial Activity

While transformational growth remains central to our long-term outlook, rigid adherence to any single investing “style” can be limiting. Opportunity often emerges precisely when markets swing from excess to restraint.

The rapid rise in interest rates beginning in 2022 created one of the most challenging environments for global financial activity in decades. That adjustment is now well advanced.

As conditions normalize, dealmaking tends to recover—often more forcefully than expected. We are already seeing signs of this across the financial services institutions we own. Trading volumes are up. Deal pipelines are rebuilding. Pent-up demand is being released.

With interest rates stabilizing and the yield curve moving toward normalization, we believe there is still room for further improvement. These opportunities tend to be less correlated, shorter in duration, and additive to our long-term holdings.

The Anti-AI Trade

Our approach to AI is intentionally barbelled.

On one end, we seek exposure to the most consequential technological advances of our time. On the other, we want to own assets rooted in deeply human experiences: travel, leisure, and entertainment.

These areas are among the most change-resistant parts of the economy. Technologies evolve, but the underlying desire to gather and experience the world will be a long-term secular trend, perhaps buoyed by a world where LLMs are creating fake content everywhere. In this environment, we believe people want *real* experience.

The long shadow of COVID initially devastated these sectors, but, at a very fundamental level, people still want to *do* things. As AI becomes more embedded in daily life, we believe this desire will only intensify. In a world of increasing digital abstraction, physical experiences become more valuable, not less.

Semiconductors and the Cost of Memory

Semiconductors have historically been among the most cyclical industries in the global economy. They are defined by long periods of exuberant investment followed by sharp and often painful contractions. This cycle carries similar patterns, but it also differs in several important ways.

First: High-performance computing now represents a structurally larger share of industry demand than in prior cycles. Leading-edge silicon has become a foundational input for AI model training, inference, and deployment, rather than a marginal or experimental workload.

As a result, the historical diversification once embedded in semiconductor manufacturing—across consumer electronics, PCs, handsets, and industrial demand—has meaningfully diminished. Success today increasingly depends on the ability to manufacture at scale, at the frontier, and with extreme capital intensity.

This shift is visible in revenue composition.

Using Taiwan Semiconductor Manufacturing Company, Ltd (TSMC) as a reference point, highperformance computing (HPC) now accounts for roughly 60% of quarterly revenue, up from approximately 30% in 2018.

That change matters: frontier logic tied to AI workloads is no longer cyclical demand layered on top of a diversified base—it *is* the base.

At the same time, the scale of capital expenditure underway across the ecosystem is unprecedented. Advanced fabs require tens of billions of dollars, multi-year buildouts, and nearperfect execution. This leaves only two plausible long-term outcomes. Either AI becomes a deeply integrated and economically productive partner across the global economy—driving sustained demand for compute—or the system ends up materially overbuilt.

History offers a sobering parallel.

During the late 1990s, telecom operators poured capital into fiber-optic networks under the assumption that internet traffic would grow fast enough to absorb virtually unlimited capacity. Traffic did grow rapidly—on the order of 100% annually—but not nearly fast enough to justify the scale of investment.

By 2002, estimates suggested that less than 3% of installed fiber was in active use, leaving vast stretches of "dark fiber" unused for years. The infrastructure ultimately proved essential, enabling the next generation of internet-native businesses—but the returns on invested capital for the original builders were deeply disappointing.

That episode left a long memory. The NASDAQ took roughly 15 years to reclaim its 1999 highs. With relatively few technology investment cycles to study, that scar tissue still shapes investor psychology today.

Yet each cycle deserves to be judged on its own merits. In our view, the feedback loop between AI capability and compute demand remains intact. Better models increase the appetite for compute; more compute enables better models. That dynamic suggests that, while inefficiencies and volatility are inevitable, there are still years of foundational building ahead.

The question is not whether excesses will emerge—they always do—but whether this infrastructure ultimately becomes indispensable. On balance, we believe it will.

Closing Thoughts

Much of what we've done over the past several years has been about positioning for the long term—often ahead of comfort, and at times deliberately contrarian. That posture hasn't come from conviction alone, but from the time we spend researching and thinking probabilistically across cycles.

The opportunity set today feels unusually rich.

We're optimistic about the years ahead, and grateful for the trust so many of you have placed in us.

We look forward to continuing the journey together over the long-term. If you'd ever like to connect or have a conversation, please don't hesitate to reach out.

—Arne Alsin, Dan Crowley, Eric Markowitz, and Zak Lash

Nightview Capital

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See below for the performance of our fund since launch, and further disclosures below.

	Annualized Performance as of 12/31/25				
	2025	3-Year	5-Year	Since Inception	Inception Date
NITE - NAV	22.64%	37.61%	1.86%	21.36%	March 1, 2018
NITE - Market Price	22.56%	-	-	28.34%	June 21, 2024
S&P 500 Total Return Index	17.88%	23.01%	14.42%	14.58%	March 1, 2018

Gross expense ratio of the fund is 1.25%

Disclosures

The 03/01/2018 to 06/21/2024 performance shown is for the private fund managed by Nightview Capital and only shows month end valuations for reporting purposes. All performance and history of the private fund converted to NITE and is now attributable to NITE moving forward. The market price performance started on 6/21/24.

Performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please call toll-free (866) 6667156.

Fund NAV represents the closing price of underlying securities. Market Price is calculated using the price which investors buy and sell ETF shares in the market. The market returns in the table were calculated using the closing price and account for distribution from the funds.

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Investors should carefully consider the investment objectives, risks, charges and expenses of the NITE ETF. This and other important information about the Fund is contained in the prospectus, which can be obtained at www.nightviewfund.com or by calling (866) 666-7156. The prospectus should be read carefully before investing.

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Important Risks

Investing involves risk, including loss of principal. There is no guarantee the fund will achieve its investment objective. As an actively-managed ETF, the Fund is subject to **Management Risk, Equity Securities Risk, Market Risk, Mid-Cap Company Risk, New Fund Risk, Operational Risk, Sector Risk, Small-Cap Company Risk, Smaller Fund Risk, Trading Risk, Value Investing Risk.**

ETFs are subject to advisory and other expenses, which will be indirectly paid by the Fund.

ETFs are subject to issuer risks and other risks specific to the Fund. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

The Fund may face more risks than if it were diversified broadly over numerous industries or sectors. An investment in the Fund is not a deposit or obligation of any bank, is not endorsed or guaranteed by any bank and is not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency.