

RAREVIEW 351 ETF

Tax-Deferred Diversification into a Multi-Asset, High-Income ETF

PLANNED 2026 LAUNCH | FOR DISCUSSION PURPOSES ONLY

Investors with large appreciated equity exposure often face a difficult choice: reduce single-name risk and accept an immediate capital-gains bill, or keep a legacy position and remain exposed to company-specific outcomes. **The Rareview 351 ETF** is intended to provide another path. Subject to portfolio eligibility and applicable legal and tax requirements, an approved basket of appreciated securities may be contributed at fund formation in exchange for shares of a newly launched ETF without immediate gain recognition. **The objective is straightforward:** move from concentrated exposure toward diversified ETF ownership while deferring - not eliminating - embedded capital gains.

Important: participation depends on the composition of the contribution basket. Not all single-stock or highly concentrated positions will qualify on a standalone basis.

High-Level Comparison of Common Approaches

Consideration	Direct Sale	Rareview 351 ETF
Current Tax Effect	Gain generally realized immediately	Intended deferral if contribution qualifies
Liquidity Profile	Cash available after sale	ETF shares trade in secondary market
Primary trade-off	Reduces risk but crystallizes tax	Basis carries over; ETF market risk and eligibility rules remain

How the Structure Works

1. Eligibility Review

Rareview Capital reviews holdings, tax lots, security type, liquidity, and diversification thresholds. Not every portfolio or security will be accepted.

2. Tax-aware Contribution

Approved securities are contributed at launch in exchange for ETF shares. If Section 351 requirements are satisfied, the exchange is intended to occur without immediate capital-gains recognition.

3. Ongoing ETF Ownership

Investors hold a diversified ETF rather than the original contributed securities and assume the fund's strategy, market exposure, fees, and trading characteristics.

Why Investors May Consider It



Tax-aware transition

May defer capital-gains recognition at contribution rather than force an immediate taxable sale.



Diversification

Replaces narrow issuer or sector exposure with a broader portfolio aligned to the fund mandate.



ETF Liquidity

Public-market format with daily pricing, standard custody, and secondary-market tradability.



Estate-planning Relevance

Under current law, heirs generally receive a basis adjustment to fair market value if shares are held until death.

► PRINCIPAL CONSIDERATIONS AND RISKS

Tax / Structural Considerations

- Tax deferral is not tax elimination; basis carries over and selling ETF shares generally triggers recognition of embedded gain.
- Participation depends on contribution composition. Stand-alone single-stock or overly concentrated baskets may fail diversification tests or fund criteria.
- The transaction depends on correct execution, aggregate launch control, and current tax law or future guidance.
- Investors should evaluate the ETF as a long-term allocation, not simply a tax transaction.

Investment / Trading Risks

- The fund remains subject to market, strategy, and management risk; diversification does not eliminate loss.
- ETF shares may trade above or below NAV and may have variable bid-ask spreads or lower trading volume, especially around launch or during stressed markets.
- The investment strategy after launch may differ materially from the contributed holdings.
- Investors can lose money, including principal.

► POTENTIAL FIT

Most suitable for

- Investors with appreciated taxable portfolios that remain overly exposed to a narrow set of stocks or sectors.
- Clients who can contribute an eligible basket consistent with the fund mandate and want a public-market vehicle rather than a private structure.
- Families and advisors coordinating diversification with multiyear wealth-transfer planning.

May be less suitable for

- Investors who need immediate cash proceeds.
- Holders whose assets cannot satisfy contribution eligibility or diversification rules.
- Investors seeking guaranteed tax elimination, guaranteed liquidity at tight spreads, or principal protection.

Indicative Launch Process

01.

Preliminary holdings file



02.

Eligibility and scenario review



03.

Commitment and documentation



04.

Contribution at fund launch

Next Steps

Rareview Capital is currently reviewing preliminary holdings files and tax-lot summaries for prospective launch participants. Initial review should focus on contribution eligibility, embedded gain profile, and fit with the ETF mandate.

Please contact Rareview Capital to discuss portfolio screening, expected capacity, and launch timing.

DISCLOSURE

For discussion purposes only. This material does not constitute tax, legal, accounting, or investment advice and is not an offer to sell or a solicitation of an offer to buy any security. The anticipated tax treatment of a Section 351 exchange depends on the investor's facts and circumstances, portfolio composition, fund structure, and satisfaction of applicable legal and tax requirements. Investors should consult their own tax, legal, and financial advisers. An investment in the Fund will involve risk, including possible loss of principal. ETF shares may trade at prices above or below net asset value and may have varying levels of secondary-market liquidity.