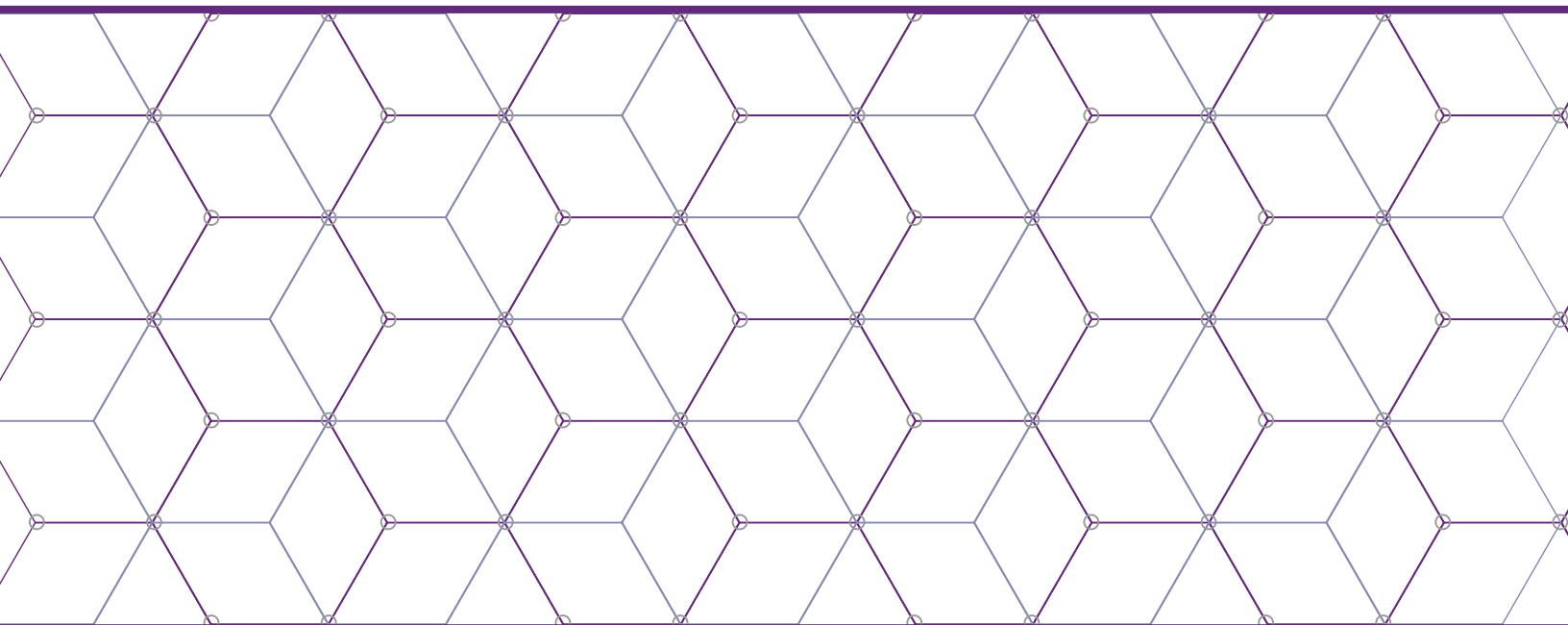


# TETF

ETF Industry Exposure &  
Financial Services ETF



## Efficient access to the ETF industry

### Fund Facts

Ticker	TETF
Expense Ratio	0.64%
Website	<a href="http://www.tetfetf.com">www.tetfetf.com</a>
Launch date	April 20, 2017
CUSIP	301505 814
ISIN	US3015058148
Exchange	NYSE
Index Ticker	TETF Index

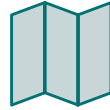
The ETF Industry Exposure & Financial Services ETF (NYSE: TETF) tracks the Toroso ETF Industry Index, and is designed to provide exposure to companies that derive revenue from the Exchange Traded Funds business. Constituents include ETF sponsors, index & data companies, trading & custody providers, liquidity providers, and exchanges.

# Why invest in TETF?



## 1. High Growth Opportunity

TETF provides investors access to an opportunity that has historically yielded high growth through companies involved in the ETF industry. Since their introduction in 1993, assets under management in ETFs worldwide have grown to more than \$5.0 trillion, with more than \$3.6 trillion in AUM in the United States, represented by 2153 funds and 135 issuers.<sup>2</sup> Over the last decade, AUM in the ETF space grew at an annualized rate of 18.9%.<sup>3</sup> However, companies engaged in ETF activities could be adversely affected if the current growth of the ETF market is not sustained.



## 2. Efficient Access to the ETF Industry

With a single trade, investors in TETF can gain exposure to growth in the ETF Industry. More than just traditional asset management, TETF offers exposure to a myriad of supporting players in the ETF ecosystem (ETF sponsors, index providers, exchanges, traders, and more). Prior to TETF, it could prove challenging to gain such diversified exposure to the ETF space.



## 3. Targeted exposure

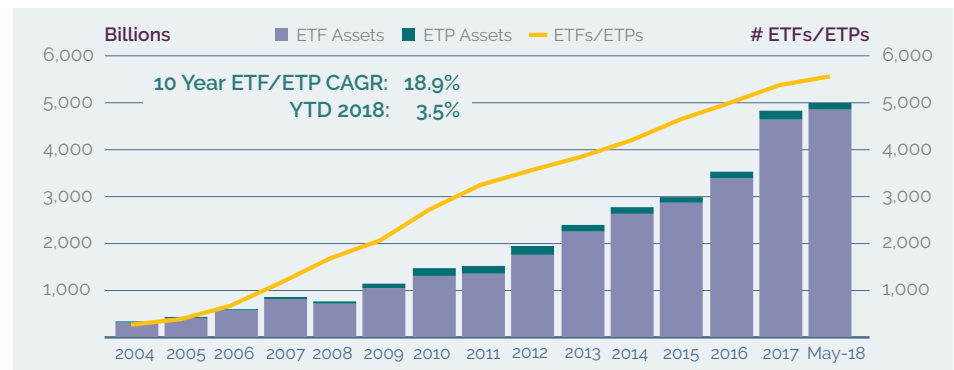
TETF can best be thought of as a “focused financials ETF,” providing investors with exposure to participants in the ETF ecosystem - historically one of the faster growing and higher margin subsectors of the financial services industry<sup>4</sup> while eliminating less dynamic subsectors within the space.

# 1. High Growth Opportunity

ETFs are one of the higher-growth areas in the financial services and asset management industries. ETFs have grown at 18.9% annual rate over the last decade and the space now boasts more than \$5 trillion in assets worldwide. ETF net inflows for 2017 was \$476.1 billion.<sup>5</sup>

According to the Investment Company Institute in 2017, the U.S. ETF industry recorded record inflows totaling \$470 billion—the highest ever, outpacing mutual fund flows by about \$296 billion. So when coupled with 2016, the combined results, ETFs have outpaced mutual fund flows by more than \$800 billion in these last 2 calendar years. Many investment professionals expect increased ETF asset flows to continue.<sup>6</sup>

## Global ETFs & ETPs Exceed \$5.0 trillion in Assets as of May 2018



Source: ETFGI the leading independent research and consultancy firm on trends in the global ETF/ETP ecosystem, based in London, England. Deborah Fuhr, Managing Partner, co-founder, ETFGI website [www.etfgi.com](http://www.etfgi.com).

# 2. Efficient Access

In a single trade, TETF delivers access to dozens of companies with high exposure to the U.S. ETF industry.



## Experienced Indexing Committee Composed of Industry Veterans

TETF's portfolio is meticulously constructed by an investment committee consisting of seasoned ETF professionals with deep insight into the space's inner workings. Current members of the index committee include Kevin Carter, Burton Malkiel, Kris Monaco, Guillermo Trias, Michael Venuto, & Linda Zhang.



## Broader Exposure

Allows targeted access to the ETF industry while managing both the idiosyncratic risk of individual sponsors or product lines and the concentration in one single subsector of the ETF industry ecosystem.



## Tiered Index Methodology

The unique tiered methodology allows the index to dynamically shift towards the companies where the most ETF revenue is being generated - as the ETF industry continues to evolve, TETF will evolve along with it, adjusting as necessary.

### 3. Targeted Exposure

TETF's composition, which follows the Toroso ETF Industry Index, transcends classic sector, industry, and geographic classifications by tracking an emerging industry that has the potential to be well-positioned for growth.

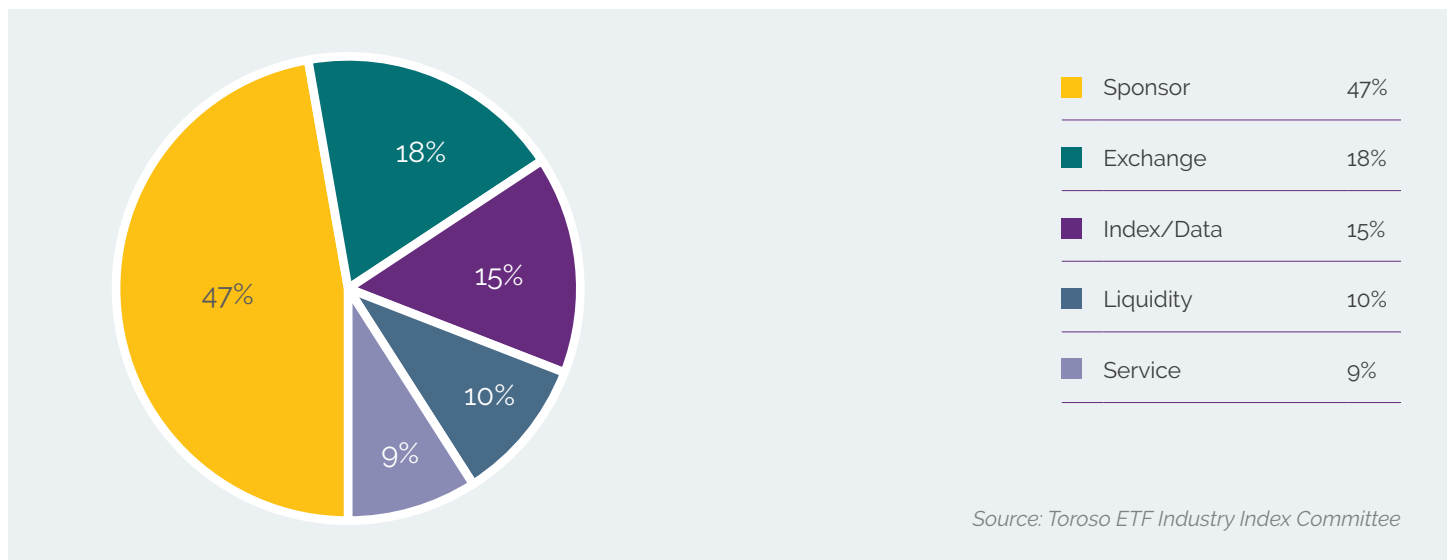
Although the ETF industry has been growing steadily for the past several years, ETF sponsors are not the only entities to potentially benefit from expansion throughout the space. Taking this into account, the Index seeks to provide targeted exposure to the entire ETF value chain - the intricate ecosystem of financial innovators and service providers that can profit from the success and benefits of ETFs.

The Index begins with the entire universe of public and private companies generating revenue from ETFs, including fund sponsors, exchanges, trading & custody platforms, liquidity providers, Index & data companies, and others. Utilizing a thorough, proprietary quantitative and qualitative methodology, the Index committee isolates, ranks, and places companies into portfolio tiers according to the significance of revenue exposure to ETF business. The Index is rebalanced every three months and its constituents may be changed every six months.

The Index universe consists of:

- **Fund sponsors**
  - ETF sponsors are asset managers that issue ETFs.
  - Today, 68% of the revenue from all ETF sponsors in the US is flowing to public companies.
- **Exchanges**
  - Facilitate the listing and trading of ETF shares.
  - Many exchanges also provide data, research, and indexing services to the ETF industry.
- **Index/data providers**
  - Provide the information necessary to calculate, research, and produce price discovery for ETFs.
  - ETFs have allowed these companies access to scalable revenue, similar to asset management.
- **ETF service providers**
  - Include custodians, trading platforms, distributors, and wire house platforms.
  - As assets flow from mutual funds into ETFs, many of these service providers have innovated the way they service clients, better positioning these key components of the ETF ecosystem for the continued growth of ETFs.
- **Liquidity providers**
  - Facilitate the market making, creation/redemption, and trading of ETFs.
  - Liquidity providers are a crucial part of the ecosystem, maintaining the benefits of the ETF structure by ensuring underlying assets are in line with a given fund's the net asset value (NAV).

Index breakdown by Sub-Sector (as of June 30, 2018)



Subject to change.

# Where might TETF fit into an investor's portfolio?

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Depending on an individual investor's specific goals, TETF could serve as:

- A core holding within a diversified growth-oriented portfolio
- A complement to an existing allocation to financials
- A tactical position
- A diversifier

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<sup>1</sup> Morningstar Database

<sup>2</sup> Morningstar Database

<sup>3</sup> ETFGI, May 2018 Global ETF AUM Growth

<sup>4</sup> ETFresearchcenter.com

<sup>5</sup> ETF.com

<sup>6</sup> Investment Company Institute

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There are risks involved with investing, including possible loss of principal. The Fund's assets will be concentrated in the financial services sector, which means the Fund will be more affected by the performance of the financial services sector than a fund that is more diversified. Companies engaged in ETF Activities could be adversely affected if the current growth of the ETF market is not sustained. If the historical growth of the ETF market is not sustained, the Fund itself will be adversely affected. The Fund's return may not match or achieve a high degree of correlation with the return of the Index.

There is no guarantee the fund will achieve its stated objective. The Fund is non-diversified.

**To determine if the fund is an appropriate investment for you, carefully consider the fund's investment objectives, risk, and charges and expenses. This and other information can be found in the fund's prospectus, which can be obtained by calling 844-380-TETF (8383) or by visiting ([www.tetfetf.com](http://www.tetfetf.com)). Please read the prospectus carefully before investing.**

Exchange Traded Concepts, LLC serves as the investment advisor, and Penserra Capital Management LLC serves as a sub advisor to the fund. The Funds are distributed by SEI Investments Distribution Co. (1 Freedom Valley Drive, Oaks, PA, 19456), which is not affiliated with Exchange Traded Concepts, LLC or any of its affiliates.

**TETF** | ETF Industry Exposure &  
Financial Services ETF

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