

# INNOVATION SHARES

## NextGen Protocol ETF

**KOIN**  
LISTED  
NYSE ARCA



### ABOUT INNOVATION SHARES

Innovation Shares focuses on themes that investors are talking about but have a hard time accessing. The real innovation behind its strategy is the AI powered natural language processing algorithm used to select stocks, which was developed at one of the world's largest quantitative hedge funds. By harnessing the potential of textual analysis, companies are identified that might otherwise be overlooked by traditional analytical research.

### ABOUT THE ETF

Blockchain is a new digital protocol for authentication and authorization that allows parties to bypass a centralized administrator. By investing in the benchmark constituents, KOIN seeks to give investors access to companies that may benefit from a technology that has the potential to revolutionize the way global trade is conducted, data is secured, supply chains are managed, financial instruments are cleared and contracts are recorded. To give this basket a more defined framework, stocks are placed in one of four custom stakeholder categories in terms of how they relate to the theme:

**Cryptocurrency As Payment:** Companies that accept cryptocurrency as payment for goods or services or are developing blockchain payment solutions.

**Mining Enablers:** Companies that either create equipment and/or tools to enable creation of new blockchains or are mining blockchains as their main business.

**Solutions Providers:** Companies engaged as blockchain as service providers. They assist businesses & organizations in the creation and implementation of blockchain applications.

**Adopters:** Companies that primarily use blockchain technology to increase operational efficiencies, optimize settlement processes, enhance the customer experience and/or increase data security/integrity.

PERFORMANCE	CUMULATIVE				
	1 Month	3 Month	6 Month	YTD	Inception
Market Price	-8.44%	-17.40%	-9.70%	N/A	-11.26%
NAV	-8.10%	-17.07%	-9.12%	N/A	-10.90%

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Shares are bought and sold at market price and not individually redeemed from the fund. Brokerage commissions will reduce returns. For performance current to the most recent month-end, visit <https://www.innovationshares.com>

TOP 10 INDEX CONSTITUENTS	TICKER	COUNTRY	WEIGHT
VISA INC.	V	US	4.61%
INTEL CORP.	INTC	US	4.58%
BP PLC	BP/LN	BRITAIN	4.56%
AMAZON.COM INC.	AMZN	US	4.54%
MASTERCARD INC.	MA	US	4.45%
NESTLE SA	NESN SW	SWITZERLAND	4.39%
TAIWAN SEMICONDUCTOR - ADR	TSM	TAIWAN	4.35%
MICROSOFT CORP.	MSFT	US	4.31%
ORACLE CORP.	ORCL	US	4.19%
NVIDIA CORP.	NVDA	US	4.09%
<b>TOTAL</b>			<b>44.05%</b>

Constituents are subject to change.

\*Pursuant to a contractual agreement, the fund's investment advisor has agreed to waive management fees of 0.30% of average daily net assets until March 31, 2019. **S&P 500:** An equities index generally considered to be a benchmark for the US equities market. It is comprised of the 500 largest companies having common stock listed on the NYSE or NASDAQ. **ACWI:** The MSCI All Country World Index. A global index generally considered to be a broad measure of equity-market performance throughout the world. **Beta:** A measure of the volatility of a portfolio in comparison to the market as a whole. **P/E Ratio:** ratio of price relative to earnings.

### KEY FACTS

**ETF Ticker:**  
KOIN

**Fund Launch Date:**  
January 30, 2018

**Assets Under Management:**  
\$9.33 million

**Benchmark Index:**  
Innovation Labs  
Blockchain Innovators (KOINTR)

**Rebalance Frequency:**  
Quarterly with Semi-Annual Review

**Weighting Methodology:**  
Modified Market Cap

**Index Holdings:**  
45

**CUSIP:**  
301505764

**Net Expense Ratio:**  
65 bps

**Fee Waiver:**  
30 bps\*

**Gross Expense Ratio:**  
95 bps

**Max Market Cap:**  
\$785.0 billion

**Min Market Cap:**  
\$180.0 million

**Median Market Cap:**  
\$42.1 billion

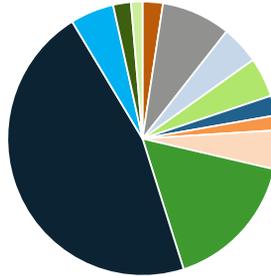
**Beta vs. S&P 500:**  
1.12

**Beta vs. MSCI ACWI:**  
1.29

**P/E Ratio:**  
15.5

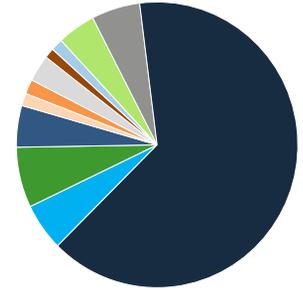
### INDUSTRY BREAKDOWN

- Banks 2%
- Diversified Financials 8%
- Energy 5%
- Food & Beverage 5%
- Insurance 2%
- Other <2%
- Retailing 5%
- Semiconductors 17%
- Software & Services 46%
- Tech Hardware & Equip. 5%
- Transportation 2%
- Utilities 1%

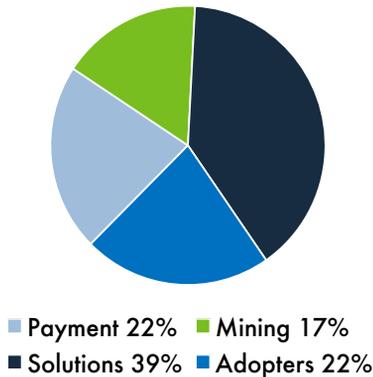


### COUNTRY WEIGHTS

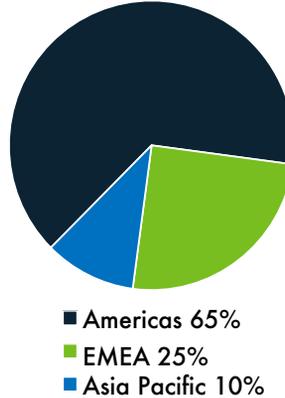
- Britain 5%
- France 7%
- Germany 5%
- Hong Kong 1%
- India 2%
- Ireland 3%
- Other 1%
- South Korea 1%
- Switzerland 4%
- Taiwan 6%
- US 65%



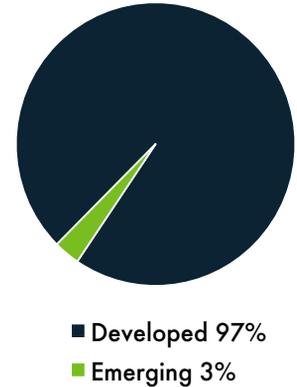
### STAKEHOLDER CATEGORY WEIGHTS



### REGIONAL WEIGHTS



### DEVELOPED VS. EMERGING MARKETS



### DISCLOSURE

Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's prospectus, which may be obtained by visiting [www.innovationshares.com](http://www.innovationshares.com). Investors should read it carefully before investing or sending money.

Investing involves risk, including possible loss of principal. International investments may also involve risk from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, and from economic or political instability. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. There is no guarantee the fund will achieve its stated objective. There is no assurance that stocks selected according to the natural language processing algorithm will outperform stocks of other companies. There is no guarantee that the methodology will generate or produce the intended results.

Currently, there are few public companies for which Blockchain technology represents an attributable and significant revenue stream, and companies eligible for inclusion in the index may have minimal ties to blockchain. In addition: cryptographic keys necessary to transact on a blockchain may be subject to theft, loss, or destruction; competing platforms and technologies may be developed that consumers use instead of blockchain; that companies that use blockchain technology may be subject to cybersecurity risk, and that such companies may not be able to develop applications or may not be able to capitalize on them; that there may be a lack of liquid markets and possible manipulation of blockchain-based assets; that there may be risks posed by the lack of regulation in this space; that blockchain systems built using third party products may be subject to technical defects or vulnerabilities beyond a company's control; and that blockchain is a new and untested technology which may never be implemented on a scale that provides identifiable benefits.

Shares are bought and sold at market price not net asset value (NAV) and are not individually redeemed from the Fund. Market performance is determined using the bid/ask midpoint at 4:00pm Eastern time when the NAV is typically calculated and do not represent the returns an investor would receive if shares were traded at other times. Brokerage commissions will reduce returns. Exchange Traded Concepts, LLC serves as the investment advisor, and Penserra Capital Management LLC serves as the 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.