

# TTAC

## TrimTabs US Free Cash Flow Quality ETF

### Fund Investment Objective

The TrimTabs U.S. Free Cash Flow Quality ETF (TTAC) seeks to generate long-term returns in excess of the total return of the Russell 3000 Index (the "Index"), with less volatility than the Index. The Adviser employs a quantamental process using proprietary quantitative models to generate decile rankings (i.e., top 10%, top 20%, top 30%, etc.) for stocks included in the Index, which is based on the following criteria:

- (1) **Strong Free Cash Flow:** based on proprietary measures of Free Cash Flow profitability and growth (Free Cash Flow (FCF) represents the cash that a company is able to generate after accounting for capital expenditures);
- (2) **High-Quality Balance Sheets:** based on proprietary measures of quality, leverage and underlying trends;
- (3) **Actual Share Reduction:** based on the relative decrease and trend in their outstanding shares over different periods in real-time.

The top decile of stocks ranked represent the companies with (1) the strongest proprietary Free Cash Flow rankings, (2) strongest proprietary balance sheet rankings, and (3) the largest share reduction rankings, respectively, based on the Adviser's sequential layering process.

### Why Invest in TTAC?

Our decades of proprietary research has shown that strong Free Cash Flow is the best indicator of high-quality companies. TTAC utilizes a modern diversified investment process, offering investors quality US equity exposure, along with the goal of achieving alpha.

### Investment Growth of \$10,000 Time Period: 9/27/2016 to 9/30/2020



### Quarter End Performance (%) (As of 09/30/2020)

	Quarter	1 Year	2 Year	3 Year	Annualized Since Inception 9/27/2016 - 09/30/2020
TTAC Market Price	9.48	11.54	4.51	10.30	13.78
TTAC NAV	9.57	11.70	4.60	10.39	13.82
Russell 3000 TR USD	9.21	15.00	8.79	11.65	13.46

Source: Morningstar Direct

### Fund Information (As of 09/30/2020)

Inception Date	9/27/2016
Ticker	TTAC
CUSIP	89628W302
Exchange	CBOE BZX Exchange, Inc.
NAV Symbol	TTAC.NV
Expense Ratio	0.59%
AUM	181,247,000
Above Average Morningstar Sustainability Rating™	🌱🌱🌱

Based on 99.06% of AUM out of a universe of 3,198 US Equity Large Cap Blend Funds. <sup>1</sup>

### Portfolio Manager

**Janet Flanders Johnston, CFA** is an experienced portfolio manager with an extensive background in fundamental and technical security analysis, macro strategy, and asset allocation.

### Where does TTAC Fit Into a Portfolio?

**Quality Exposure:** Our decades of proprietary research has shown that strong Free Cash Flow is the best indicator of high-quality companies.

**Core Equity Holding:** TTAC targets a similar level of volatility as the major market averages and aims to reduce capitalization-weighted concentration risk.

**Alpha Sleeve:** Our strategy seeks to deliver alpha, or positive asymmetric returns, beyond the major market averages.

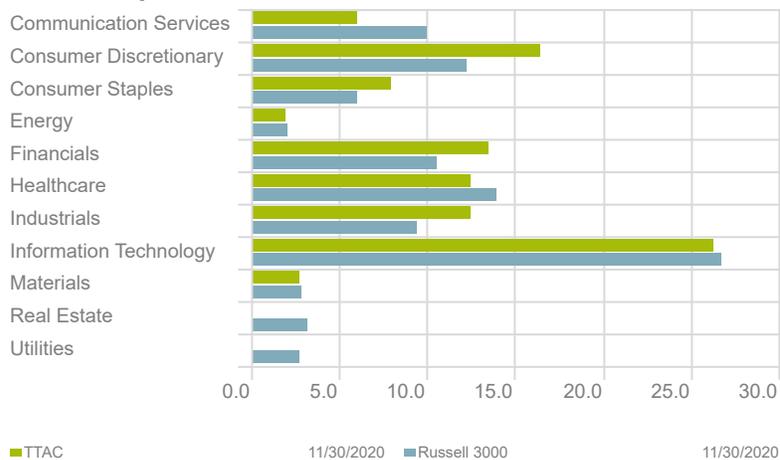
**ESG:** TTAC has tended to rank very well on an ESG scale. We believe that companies with strong Free Cash Flow and cushions of cash have greater fiscal flexibility to pursue environmental, social and governance goals.

**The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance current to the most recent month-end can be obtained by calling (toll free 800-617-0004).**

1. The AUM and Fund Universe information only applies to the sustainability rating.

## Sector Allocation (as of 09/30/2020)

### Sector Exposure

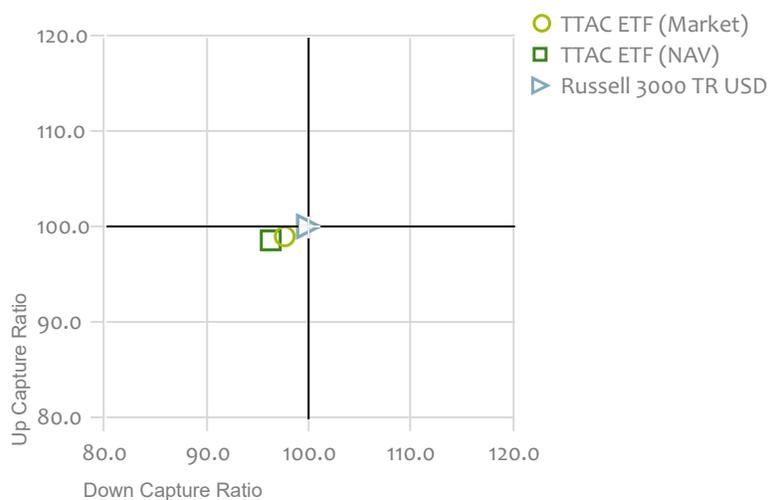


## Top Holdings

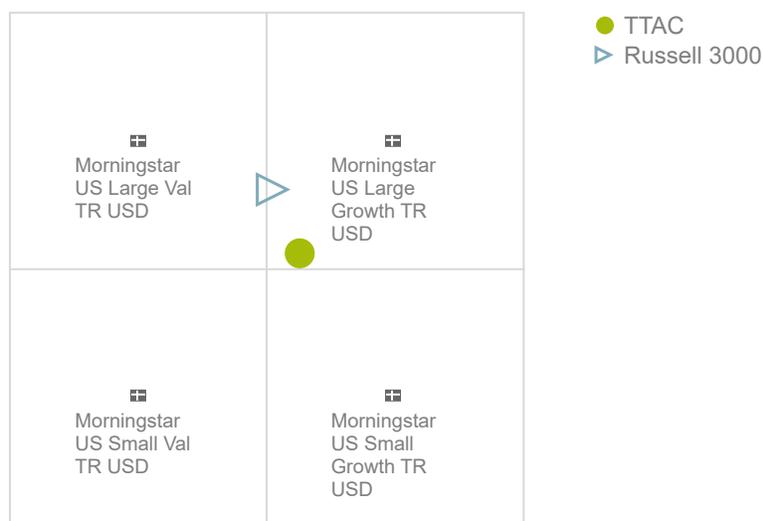
Company	Portfolio Weighting %	Ticker
Amazon.com Inc	2.60	AMZN
Microsoft Corp	2.50	MSFT
JPMorgan Chase & Co	2.32	JPM
NVIDIA Corp	2.00	NVDA
Facebook Inc A	1.91	FB
Alphabet Inc A	1.86	GOOGL
Apple Inc	1.82	AAPL
Berkshire Hathaway Inc Class B	1.48	BRK.B
Nike Inc B	1.48	NKE
Alibaba Group Holding Ltd ADR	1.47	BABA

## Upside-Downside Capture

Calculation Benchmark: Russell 3000 TR USD



## Returns-Based Style Map



The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 1-800-617-0004. Read it carefully before investing.

There is no guarantee that TTAC will achieve its investment objective. Investing involves risk, including the possible loss of principal. Because the Fund is an ETF (rather than a mutual fund), shares are bought and sold at market price (not NAV), may trade at a discount or premium to NAV, and are not individually redeemable. Owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Unit aggregations only, consisting of 25,000 shares. Brokerage commissions will reduce returns. Investments in the Fund include risks associated with small-and mid-cap securities, which involve limited liquidity and greater volatility than large-cap securities.

The TrimTabs US Free Cash Flow Quality ETF is distributed by Quasar Distributors, LLC.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

The Russell 3000® Index measures the performance of the 3,000 largest publicly traded U.S. companies, based on market capitalization. The Index measures the performance of approximately 98% of the total market capitalization of the publicly traded U.S. equity market. It is not possible to invest directly in an index. Free cash flow is the cash that a company has available after subtracting operating expenditures and accounting for future organic growth. Upside/Downside Ratio is a technical indicator that shows the relationship between the volumes of advancing and declining issues on an exchange. Returns-based style analysis is a statistical technique used in finance to deconstruct the returns of investment strategies using a variety of explanatory variables. The model results in a strategy's exposures to asset classes or other factors, interpreted as a measure of a fund or portfolio manager's style.

We define "high-quality" companies as those exhibiting a strong and sustainable financial position, that have the potential to generate organic growth over the long-term.

Market Price: The current price at which shares are bought and sold. Market returns are based upon last trade price. NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.



**TrimTabs Asset Management**  
1345 Avenue of the Americas, Floor 2  
New York, NY 10105  
+1 (212) 217 2514

investorrelations@trimtabsfunds.com  
trimtabsfunds.com

## Morningstar Sustainability Rating disclosure information:

The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their financially material environmental, social and governance, or ESG, risks relative to the fund's Morningstar Global Category peers.

The Morningstar Sustainability Rating calculation is a five-step process. First, each fund with at least 67% of assets covered by a company-level ESG Risk Score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of company-level ESG Risk Scores. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk. Second, the Historical Sustainability Score is an exponential weighted moving average of the Portfolio Sustainability Scores over the past 12 months. The process rescales the current Portfolio Sustainability Score to reflect the consistency of the scores. The Historical Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk, on a consistent historical basis. Third, the Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Global Categories in which at least thirty (30) funds receive a Historical Sustainability Score and is determined by each fund's Morningstar Sustainability Rating Score rank within the following distribution:

- High (highest 10%)
- Above Average (next 22.5%)
- Average (next 35%)
- Below Average (next 22.5%)
- Low (lowest 10%)

Fourth, then Morningstar applies a 1% rating buffer from the previous month to increase rating stability. This means a fund must move 1% beyond the rating breakpoint to change ratings. Fifth, they adjust downward positive Sustainability Ratings to funds with high ESG Risk scores. The logic is as follows:

- If Portfolio Sustainability score is above 40, then the fund receives a Low Sustainability Rating.
- If Portfolio Sustainability score is above 35 and preliminary rating is Average or better, then the fund is downgraded to Below Average.
- If the Portfolio Sustainability score is above 30 and preliminary rating is Above Average, then the fund is downgraded to Average.
- If the Portfolio Sustainability score is below 30, then no adjustment is made.

The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Since a Sustainability Rating is assigned to all funds that meet the above criteria, the rating it is not limited to funds with explicit sustainable or responsible investment mandates.

Morningstar updates its Sustainability Ratings monthly. The Portfolio Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Historical Sustainability Score and the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date. Please visit <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency. Sustainalytics is an independent ESG and corporate governance research, ratings, and analysis firm. Morningstar, Inc. holds a noncontrolling ownership interest in Sustainalytics.

©2020 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**