

Manager Review

As of 12/31/2018

Fund Information

Inception Date	September 27, 2016
Ticker	TTAC
CUSIP	89628W302
Exchange	Cboe BZX Exchange, Inc.
IOPV Symbol	TTAC.IV
NAV Symbol	TTAC.NV
AUM	110,976,315
Expense Ratio	0.59%

IOPV, or Indicative Optimized Portfolio Value, is a calculation disseminated by the stock exchange that approximates the Fund's NAV every fifteen seconds throughout the trading day.

Quarter End Performance (%) as of 12/31/18

	1 Year	2 Year	Annualized Since Inception 9/27/16
TTAC NAV	-5.99	8.66	11.33
TTAC Market Price	-6.26	8.30	11.23
Russell 3000 TR	-5.24	7.14	8.45

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).



A monthly commentary to familiarize you with our approach to investing.

Janet Flanders Johnston, CFA
 Portfolio Manager
 TrimTabs Asset Management

Historically, December is a strong month for the US stock market. According to our friend Howard Silverblatt from S&P Dow Jones Indices, the US stock market has rallied over 73% of the time in December. For those of us in the industry, this end of the year activity is commonly referred to as the "Santa Claus Rally." This year, there was no Santa Claus, just investors with stockings filled with a few lumps of coal. The S&P 500 Index, a broadly-based US stock market index, was down 9.18%, posting its worst December since 1931 and the worst month since February 2009.

The TrimTabs All Cap US Free-Cash-Flow ETF (TTAC) was down 9.19% (NAV) for the month of December, and 5.99% (NAV) for the year. Our benchmark, the Russell 3000 Total Return Index, declined 9.31% for the month, and 5.24% for the year. Since its inception in 2016, TTAC has achieved an annualized return of 11.33% (NAV), while the Russell 3000 gained 8.45%. Total AUM for TTAC stood at \$111 million at the end of 2018, an increase of \$72 million for the year, a 185% gain in assets.

In September, investors became concerned about slowing global growth, a reduction in US earnings expectations and US GDP numbers, along with policy uncertainty. The US broad market pivoted to a narrow group of large capitalization growth names, presumably as a defense mechanism. In December, the only sector with positive returns was the utility sector, which is only 3% of the major indices.

TTAC invests in approximately 100 equally weighted quality companies across all market capitalizations. Some of our holdings are characterized as growth, and others as value. When the market pivots to a narrow group of large capitalization stocks, it is tough for an all-cap fund to outperform. Since the end of Q2 2018, we have actively increased our exposure in large and giant capitalized names by 28% within our model. Currently, our large and giant exposure is 50% of the portfolio.

We believe that December's price action is more indicative of a panic, than a recession. If history repeats itself, panics tend to be buying opportunities. While we are seeing a natural slowing from the 20% rate of tax induced earnings growth, overall earnings growth has not peaked. According to FactSet, earnings growth estimates for S&P 500 companies in the 4th quarter is expected to be 12.4%. Revenue growth is expected to be over 6%. These are solid numbers. Stocks are cheaper now. The S&P 500 has a forward Price Earnings Ratio of 14.1, based on 2019 earnings estimates. For comparison, the 5-year average ratio is 16.4. We believe that the market correction has more than discounted what we are observing in the economy.

On the other hand, market participants continue to be concerned about the risks mentioned above. In 2017, the US administration focused on pro-business policies with corporate tax cuts and massive deregulation. In 2018, the administration has focused on tariffs and other potentially anti-business policies that can potentially slow down the economy. Most important, markets abhor uncertainty, which can hinder a company's ability to plan, manage costs, and handle supply chain issues. Adding fuel to the fire is the government shutdown that appears to not have any short-term resolution.

Top Holdings

	Portfolio Weighting %
VeriSign Inc	1.46
Illumina Inc	1.44
Match Group Inc	1.34
Merck & Co Inc	1.33
Abbott Laboratories	1.31
Deckers Outdoor Corp	1.28
Zoetis Inc Class A	1.27
Clorox Co	1.26
ConocoPhillips	1.24
Fortinet Inc	1.24

The TrimTabs All Cap US Free-Cash-Flow ETF is distributed by Quasar Distributors, LLC.

For further information please contact Alan Rubinfeld, Director of Sales at TrimTabs Asset Management at 212-217-2514 or via email at alan.rubinfeld@trimtabsfunds.com. www.trimtabsfunds.com

Free Cash Flow (FCF) represents the cash that a company is able to generate after accounting for capital expenditures.

The Standard & Poor's 500 Index (S&P 500) is an index of 505 stocks issued by 500 large companies with market capitalizations of at least \$6.1 billion.

Fund holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security.

Earnings growth is not a measure of the Fund's future performance.

Forward price to earnings (forward P/E) is a quantification of the ratio of price-to-earnings (P/E) using forecasted earnings for the P/E calculation.

In this environment, we will continue to buy "quality" companies with both strong free cash flow and balance sheets. Free cash flow is fact, while earnings are opinion. Free cash flow gives companies the ability to adapt, or mitigate, issues that may arise in this environment. Our companies tend to have some cushions. Our goal is to buy "all weather" companies that can be owned over a longer time frame whether the market goes up, or down.

The largest declines in earnings estimates were in the energy sector. Crude oil peaked in September and was down 40% by the end of the year. TTAC is currently underweight energy. One of the worst performing stocks in our portfolio was HollyFrontier Corp. (HFC), a refining company.

We continue to believe that companies leveraged to the consumer are well positioned. Wages are rising, unemployment is low, and consumer balance sheets have improved. Our best stock in December, and one of our best for the year, was Match Group Inc. (MTCH). MTCH is the leading provider of on-line dating applications.

We thank our shareholders for the opportunity to serve them.

Opinions expressed are subject to change any time, are not guaranteed and should not be considered investment advice.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary 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 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.



TRIMTABS
Asset Management

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

investorrelations@trimtabsfunds.com
trimtabsfunds.com