

The NETLease Corporate Real Estate ETF (NETL) seeks to track the performance, before fees and expenses, of the Fundamental Income Net Lease Real Estate Index (NETLXT). The index's goal is to track the performance of the U.S. listed Net Lease real estate sector in a diversified manner by screening for real estate companies that focus on investments in net lease real estate and assigning only those companies identified to the Index. The Index places constraints on constituents to protect against concentration in any one company or tenant.

## What is a Net Lease REIT

Net Lease REITs are equity REITs that own properties leased to single tenants under long-term, net lease agreements which specify that, in addition to rent, the tenant is responsible for most, if not all, property expenses. The most common net lease is a "triple-net lease" which requires the tenant pay property taxes, insurance, and maintenance - the three nets in a lease agreement.

## Potential Benefits of Net Lease REITs

We believe Net Lease REITs offer the potential for:

### » Income

- REITs' historical dividend distributions make NETL a source of potential income for your portfolio
- Tenant pays most expenses which may make cash flows more predictable
- IRS Tax Code clarification on the deductibility of certain income distributed by REITs may improve after-tax returns.<sup>1</sup>

### » Inflation Hedge

- Rent escalation provision in leases may help income grow and keep pace with inflation

### » Growth

- Reinvestment of retained cash flows
- Potential to raise outside funds at yields lower than those that may be realized through new property investments

## The NETLease Corporate Real Estate ETF May Be Appropriate For:

- Investors Seeking Income – With a predictable income stream that must be distributed to shareholders, Net Lease REITs may be appropriate for investors seeking income.
- Real Estate Exposure – The ETF may be appropriate for investors seeking exposure to real estate.
- Total Return Strategies – The combination of current income with identifiable sources of growth may make Net Lease REITs appropriate for investors seeking a Total Return Strategy.

*NOTE: It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. Data from Capital IQ and most recent constituent disclosures in most recent company filings including 10Ks, 10Qs, supplementals and presentations. Weights based on NETL portfolio holdings as of September 30, 2020. Market data as of September 30, 2020.*

## FUND FACTS (AS OF 9/30/2020)

Ticker:	NETL
CUSIP:	26922A248
Exchange:	NYSE
Inception Date:	3/21/19
Expense Ratio:	0.60%
Underlying Index:	NETLXT
Index Calculator:	NASDAQ Global Indexes
Index Provider:	Fundamental Income
Re-Balance Schedule:	Quarterly
Advisor:	ETC LLC
Administrator:	U.S. Bank Global Fund Services
Distributor:	Quasar Distributors, LLC
Distribution:	Quarterly
30-Day SEC Yield	4.70%

## PORTFOLIO FACTS (AS OF 9/30/2020)

### » PORTFOLIO HIGHLIGHTS

Companies:	24
Enterprise Value:	\$176.3B
Weighted Average Enterprise Value:	\$9.8B
Market Capitalization:	\$111.8B
Weighted Average Market Capitalization	\$6.4B
Annualized Revenue:	\$11.5B
Debt/Enterprise Value:	36.8%
Properties:	25,021
Occupancy:	98.9%
Weighted Average Remaining Lease Term:	13.2yrs
States:	50
Largest Weighted Tenant Concentration:	3.5%
Equity Cash Flow Multiple:	15.2x

## PORTFOLIO WEIGHTINGS<sup>2</sup> (AS OF 9/30/2020)

TOP 10 HOLDINGS		TOP 10 TENANT INDUSTRIES		TOP 10 STATES	
Store Capital CP	8.36	Industrial	20.40%	Texas	9.00%
Realty Income CP	8.07	Retail	12.90%	Ohio	5.10%
National Retail Prop	8.02	Hotel, Gaming, and Leisure	10.90%	Florida	4.70%
VEREIT, Inc. CMN	7.97	Restaurants	8.00%	Illinois	4.60%
W.P. Carey Inc.	7.74	Convenience Stores	7.10%	New York	4.30%
Essential Properties	4.23	Auto Retail and Services	4.90%	California	3.90%
Indtl Logi Pt Sh Ben	4.18	Freight & Logistics	3.30%	Michigan	3.60%
Innovative Inds Ppty	4.15	Movie Theaters	3.30%	Pennsylvania	3.40%
Agree Realty CP	3.92	Entertainment	2.90%	Nevada	3.40%
Spirit Realty Captl	3.92	Financial & Professional Services	2.80%	Georgia	3.30%

<sup>1</sup> Investors should consult a tax attorney or CPA.

<sup>2</sup> Data based on weighted average annualized rental revenue and Fundamental Income's industry classification.

**QUARTERLY PERFORMANCE (AS OF 9/30/2020)**
**MONTHLY PERFORMANCE (AS OF 9/30/2020)**

	1 Mo.	Qtr	6 Mo.	1 yr	Since Inception		1 Mo.	Qtr	6 Mo.	1 yr	Since Inception
NETL NAV	-2.07	4.16	25.13	-12.69	-1.64	NETL NAV	-2.07	4.16	25.13	-12.69	-1.64
NETL Market Price	-2.25	4.06	24.89	-12.82	-1.65	NETL Market Price	-2.25	4.06	24.89	-12.82	-1.65

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. Performance data current to the most recent month-end can be obtained by calling 800-617-0004 or by [clicking here](#). Performance for periods greater than one year are annualized.

**DISCLOSURES**

*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.netleaseetf.com](http://www.netleaseetf.com). Read the prospectus carefully before investing.*

Investments involve risk. Principal loss is possible. The fund may trade at a premium or discount to NAV. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. The Index, and consequently the Fund, is expected to concentrate its investments in real estate companies. As a result, the value of the Fund's shares may rise and fall more than the value of shares of a fund that invests in securities of companies in a broader range of industries.

Investments in real estate companies and REITs involve unique risks, including limited financial resources, they may trade less frequently and in limited volume, and they may be more volatile than other securities. In addition, securities in the real estate sector are subject to certain risks associated with direct ownership of real estate and the risk that the value of their underlying real estate may go down. Companies in the Net Lease Real Estate sector may be affected by unique factors related to leasing properties to single tenants including dependence on the financial performance of its' tenants and lease terms related to rent escalations based on economic measurements. The fund may invest in foreign securities which involves political, economic and currency risks, differences in accounting methods and greater volatility. Investments in small and mid-sized companies have historically been subject to greater investment risk than large company stocks.

**Fundamental Income Net Lease Real Estate Index** is a rules-based index that tracks the performance of the U.S. listed net lease real estate sector. The Index identifies real estate companies, including real estate investment trusts (REITs), screens each real estate company for property type and tenant, and assigns only those companies identified as net lease to the index. It is not possible to invest directly in an index.

**Enterprise Value** – a measure of a company's total value which includes the equity market capitalization plus total debt plus preferred equity less cash on the company's balance sheet.

**Debt/Enterprise Value** – Debt-to-Enterprise Value is the weighted average Total Debt-to-Enterprise Value of the index constituents.

**Equity Cash Flow Multiple** - equal to the weighted average Equity Cash Flow Multiple, where Equity Cash Flow Multiple is equal to Price Per Share divided by Adjusted Funds From Operations Per Share for most recent quarter annualized.

**Weighted Avg Debt Term Remaining** - equal to the weighted average sector Debt Term Remaining, where Debt Term Remaining is calculated based on constituent weighted average outstanding debt balance maturities.