

BAD



THE ETF DEFINED BY THE
BETTING, ALCOHOL & DRUG INDUSTRIES.

ALL DATA CURRENT AS OF DECEMBER 31, 2022
VISIT [INVESTBAD.COM](https://investbad.com) FOR MORE INFORMATION

ETF OVERVIEW

The BAD Investment Co. Betting, Alcohol & Drug ETF ("BAD ETF") is a multi-sector, rules-based fund that is designed to offer investors equally-weighted exposure to the B.A.D. market segments — betting, (casinos, gaming, and online gaming operations); alcohol/cannabis (alcoholic beverage manufacturing and distribution and/or cannabis cultivation and sales); and drugs (pharmaceutical and biotechnology product development and manufacturing) — by seeking investment results that closely track the performance, before fees and expenses, of the EQM BAD Index (BADIDX).

Sector Weightings:

- 33.3% Betting (Casinos, Gaming & Online Gaming Operators)
- 33.3% Alcohol & Cannabis (10% Cannabis)
- 33.3% Drugs (Pharmaceutical & Biotech)

INVESTMENT GROWTH - Year to date performance compared to SP500 and NASDAQ. Past performance is not indicative of future results.

Time Period: 1/1/2022 to 12/31/2022



Data as of 12/31/2022	1 Month	3 Month	6 Month	2022	Inception 12/21/2022
BAD ETF NAV	-6.80%	12.14%	5.77%	-16.85	-16.52%
BAD ETF Market	-6.64%	12.14%	6.11%	-17.08	-16.46%
S&P500 Index	-5.76%	7.56%	2.31%	-18.11%	-16.03%
NASDAQ Index	-8.67%	-0.79%	-4.67%	-32.54%	-30.87%

The 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 833.333.9383.

Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Market price is the price at which shares in the ETF can be bought or sold on the exchanges during trading hours, while the net asset value (NAV) represents the value of each share's portion of the fund's underlying assets and cash at the end of the trading day.

ETF SNAPSHOT

Ticker	BAD
Exchange	NYSE Arca
Expense Ratio	0.75%
Net Assets - Share Class	\$8.70M
Shares Outstanding	700,000
NAV (Mo-End)	12.44
Inception Date	12/21/2021

WHY THE BAD ETF?*

ROOTED IN HISTORY

- + Historically, the B.A.D. Industries have endured multiple economic cycles and demonstrated to be profitable businesses
- + Adapted and embraced political pressures and regulations to improve their business practices
- + If the past is any indicator for future trends, consumers will continue to need medicines, consume alcohol, and gamble.

GROWTH OPPORTUNITY & CHANGING TRENDS

- + Legalization of Betting & Cannabis provides potential growth opportunity opening opportunity to attract new consumers
- + Direct business-to-consumer trends may benefit each B.A.D. Industry making products and services more accessible
- + New pharmaceutical & biotech developments are critical to maintain a functioning economy

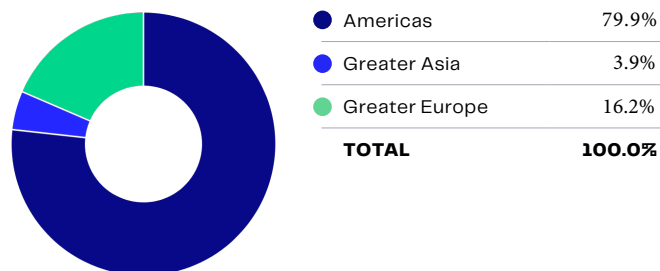
POTENTIAL FOR ATTRACTIVE & CONTROLLED RETURN

- + Diversification** in 3 industries may reduce single industry or sector risk
- + Industries & Products are staples of society and human behavior
- + Holdings has blend of value and growth companies

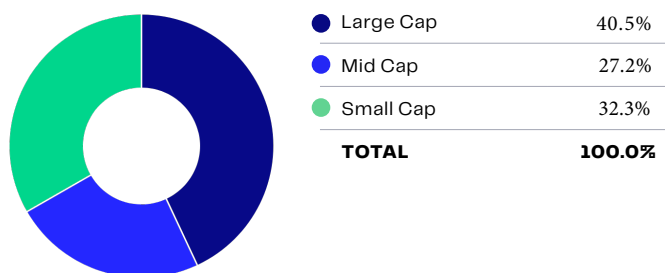
THERE'S NO SUCH THING AS BAD PRESS

- + Bloomberg ETF IQ Live Show - A Deep Dive in to the BAD ETF - [Video Link](#)
 - + The ETF Store - The BAD Investment Co's Tommy Mancuso Spotlights BAD ETF - [Podcast Link](#)
 - + Bloomberg - BAD ETF Arrives for Bets on Stocks That Markets May Be Shunning - [Article Link](#)
- Links are clickable*

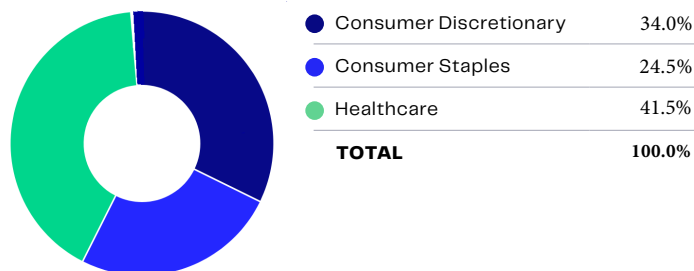
BAD ETF EQUITY SUPER REGIONS



BAD ETF EQUITY STYLE CAPITALIZATION



BAD ETF EQUITY SECTORS (GICS)



As of 10/31/2022. Allocations are subject to change.

*The statements and forecasts above are subject to significant business, economic, and competitive uncertainties. Accordingly, there can no assurance that such statements, estimates and projections will be realized, and no representations are made as to the accuracy or completeness of such statements and forecasts. Such statements and forecasts are not indicative of future investment performance. An index is unmanaged and is not available for direct investment. ETF characteristics and allocations are subject to change at any time.

** The fund is classified as non-diversified and may invest a greater percentage of its assets in the securities of a single issuer or a lesser number of issuers than if it was a diversified fund.

BAD ETF HOLDINGS

	Portfolio Weighting %
Betting & Casinos – Consumer Discretionary	31.61
Melco Resorts and Entertainment Ltd ADR	2.44
Monarch Casino & Resort Inc	2.27
International Game Technology PLC	2.22
Light & Wonder Inc Ordinary Shares	2.19
Wynn Resorts Ltd	2.10
Las Vegas Sands Corp	1.92
Red Rock Resorts Inc A	1.89
Churchill Downs Inc	1.79
Golden Entertainment Inc	1.78
Boyd Gaming Corp	1.77
PENN Entertainment Inc	1.72
Caesars Entertainment Inc	1.71
MGM Resorts International	1.71
Sportradar Group AG Class A	1.64
Ballys Corp Shs -144A-	1.64
Everi Holdings Inc	1.45
DraftKings Inc Ordinary Shares - Class A	1.39
Alcohol – Consumer Staples	24.44
Anheuser-Busch InBev SA/NV ADR	2.79
Boston Beer Co Inc Class A	2.58
United Breweries Co Inc ADR	2.56
Molson Coors Beverage Co Shs -B- Non-Voting	2.51
MGP Ingredients Inc	2.49
Diageo PLC ADR	2.45
Constellation Brands Inc Class A	2.41
Ambev SA ADR	2.35
Brown-Forman Corp Registered Shs -B- Non Vtg	2.31
The Duckhorn Portfolio Inc	2.00
Drugs – Pharma, Biotechs, & Cannabis – Health Care	39.13
Tilray Brands Inc	2.69
Cronos Group Inc	2.33
Canopy Growth Corp	2.32
Biogen Inc	1.96
Gilead Sciences Inc	1.84
Merck & Co Inc	1.74
Moderna Inc	1.72
Eli Lilly and Co	1.61
Amgen Inc	1.60
Novo Nordisk A/S ADR	1.60
Sanofi SA ADR	1.59
Bristol-Myers Squibb Co	1.59
AbbVie Inc	1.58
BioNTech SE ADR	1.57
Vertex Pharmaceuticals Inc	1.53
AstraZeneca PLC ADR	1.51
GSK PLC ADR	1.51
Novartis AG ADR	1.50
Takeda Pharmaceutical Co Ltd ADR	1.50
Johnson & Johnson	1.49
Pfizer Inc	1.47
Regeneron Pharmaceuticals Inc	1.45
Royalty Pharma PLC Class A	1.40

Holdings as of 12/31/2022. Holdings subject to change.

Source: Morningstar Direct

Principal Investment Strategies

The Fund uses a passive management (or indexing) approach to seek to track the performance, before fees and expenses, of the Index. The Index was developed and owned by Thematic Investments, LLC and is administered by EQM Indexes LLC (the "Index Provider").

EQM BAD Index

The Index is a rules-based index that seeks to provide exposure to a portfolio of (i) betting or gambling companies, (ii) alcohol and cannabis companies, and/or (iii) pharmaceutical companies.

Construction of the Index begins with a universe of securities of U.S. exchange-listed companies or American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs") of issuers in foreign markets, including emerging market countries. Emerging market countries are those countries with low- to middle-income economies as classified by the World Bank, or included in any of the Morgan Stanley Capital International (MSCI) emerging markets indices. To qualify for inclusion in the Index, companies must have a minimum six-month average daily traded volume of \$1 million.

The companies in the investment universe are then screened to identify those that meet at least one of the criteria below (each, a "Business Category"). The resulting companies comprise the Index.

- i. Companies that derive a majority of their operating revenue from casinos, gaming and online gaming operations and have a market capitalization of at least \$10 million;
- ii. Companies that derive a majority of their operating revenue from the manufacturing and distribution of alcohol and/or cannabis cultivation and have a market capitalization of at least \$1 million;
- iii. Companies that derive a majority of their operating revenue from pharmaceutical drug and biotechnology product development and manufacturing and have a market capitalization of at least \$1 million.

The Index Provider utilizes issuer financial statements and other public filings and reports, as well as third-party industry research, reports, and analyses, to identify companies that meet the Index's criteria for inclusion in one of the Business Categories above.

The composition of the Index and the constituent weights are determined three business days before the second Thursday of the month ending the quarter and component changes are made after the market close on the second Thursday of the month ending the quarter and become effective at the market opening on the next trading day. At the time of each reconstitution, each Business Category is equally weighted at 33 1/3%. Within each Business Category the companies are equally weighted, provided, however, the aggregate exposure to cannabis companies will not exceed 10%.

The Index is administered by the Index Provider, and the Index is calculated and maintained by Solactive AG. The Index Provider is independent of Solactive AG, the Fund, Thematic Investments, LLC (the "Adviser"), the Fund's investment adviser, and Prime Capital Investment Advisors, LLC (the "Sub-Adviser"), the Fund's investment sub-adviser.

The Fund's Investment Strategy

The Fund generally will use a "replication" strategy to achieve its investment objective, meaning it will invest in all of the component securities of the Index in approximately the same proportions as in the Index. However, the Fund may use a "representative sampling" strategy, meaning it may invest in a sample of the securities in the Index whose risk, return, and other characteristics closely resemble the risk, return, and other characteristics of the Index as a whole, when the Sub-Adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable, or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

The Fund also may invest in securities or other investments not included in the Index, but which the Sub-Adviser believes will help the Fund track the Index. For example, the Fund may invest in securities that are not components of the Index to reflect various corporate actions and other changes to the Index (such as reconstitutions, additions, and deletions).

To the extent the Index concentrates (i.e., holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index. As of December 21, 2021, the Index was concentrated in one or more industries in the consumer discretionary, consumer staples and the health care sector.

To the extent the Index concentrates (i.e., holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index. As of December 21, 2021, the Index was concentrated (i.e., more than 25% of the Fund's assets were invested) in the equity real estate investment industry and had significant exposure to the real estate and information technology sectors.

The Fund is classified as a non-diversified investment company under the Investment Company Act of 1940, as amended (the "1940 Act").

Principal Investment Risks

The principal risks of investing in the Fund are summarized below. The principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with those of other funds. Each risk summarized below is considered a "principal risk" of investing in the Fund, regardless of the order in which it appears. As with any investment, there is a risk that you could lose all or a portion of your investment in the Fund. Some or all of these risks may adversely affect the Fund's net asset value ("NAV"), trading price, yield, total return and/or ability to meet its objective. The following risks could affect the value of your investment in the Fund:

- **Associated Risks Alcohol Companies.** Companies in the alcohol industry are very competitive and subject to a number of risks. Demographic and product trends, changing consumer preferences, nutritional and health-related concerns, competitive pricing, marketing campaigns, environmental factors, adverse changes in general economic conditions, government regulation, consumer boycotts, risks of product tampering, product liability claims, and the availability and expense of liability insurance can affect the demand for, and success of, such companies' products in the marketplace. Such companies also face risks associated with changing market prices as a result of, among other things, changes in government support and trading policies and agricultural conditions influencing the growth and harvest seasons. Alcohol companies may be adversely affected by the adoption of proposed legislation and/or by



litigation.

- **Associated Risks of Betting Companies.** The betting industry is characterized by an increasingly high degree of competition among a large number of participants including from participants performing illegal activities or unregulated companies. Expansion of betting in other jurisdictions (both regulated and unregulated) could increase competition with existing betting companies, which could have an adverse impact on their financial condition, operations and cash flows. In a broader sense, betting companies face competition from all manner of leisure and entertainment activities, including shopping, athletic events, television and movies, concerts and travel. In addition, established jurisdictions could award additional licenses or permit the expansion or relocation of existing betting companies. These companies also may be subject to increasing regulatory constraints, particularly with respect to cybersecurity and privacy. In addition to the costs of complying with such constraints, the unintended disclosure of confidential information, whether because of an error or a cybersecurity event, could adversely affect the reputation, profitability and value of these companies.
- **Associated Risks of Pharmaceutical Drug Companies.** The pharmaceutical industry can be significantly affected by government approval of products and services, government regulation and reimbursement rates, pricing pressure (including price discounting), limited product lines, pricing pressure (including price discounting), limited product lines, patent expirations, and intense competition. The costs associated with developing new drugs can be significant, and the results are unpredictable. Newly developed drugs may be susceptible to product obsolescence due to intense competition from new products and less costly generic products. Pharmaceutical companies, may be heavily dependent on clinical trials with uncertain outcomes and decisions made by the governments and regulatory authorities. Pharmaceutical companies are heavily dependent on patent protection. The expiration of patents may adversely affect the profitability of the companies. Pharmaceutical companies are also subject to extensive litigation based on product liability and other similar claims. A pharmaceutical company's valuation can often be based largely on the potential or actual performance of a limited number of products and can accordingly be greatly affected if one of its products proves, among other things, unsafe, ineffective or unprofitable. Pharmaceutical companies, including psychedelic treatment companies, are subject to regulation by, and the restrictions of, the Food and Drug Administration ("FDA"), the U.S. Environmental Protection Agency ("EPA"), state and local governments, and foreign regulatory authorities.

- **Cannabis Company Risk.**

- » **United States Regulatory Risks of the Cannabis Industry.** The possession and use of marijuana, even for medical purposes, is illegal under federal and certain states' laws, which may negatively impact the value of the Fund's investments. Use of marijuana is regulated by both the federal government and state governments, and state and federal laws regarding marijuana often conflict. Even in those states in which the use of marijuana has been legalized, its possession and use remains a violation of federal law. Federal law criminalizing the use of marijuana pre-empts state laws that legalize its use for medicinal and recreational purposes. Actions by federal agencies, such as increased enforcement of current federal marijuana laws and the prosecution of nonviolent federal drug crimes by the U.S. Department of Justice ("DOJ"), could produce a chilling effect on the industry's growth and discourage banks from expanding their services to cannabis companies where such services are currently limited. Any of these outcomes would negatively affect the profitability and value of the Fund's investments and even its ability to pursue its stated investment objective. The conflict between the regulation of marijuana under federal and state law creates volatility and risk for all cannabis companies.

Because marijuana is a Schedule I controlled substance under the Controlled Substances Act ("CSA"), meaning that it has a high potential for abuse, has no currently "accepted medical use" in the United States, lacks accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the United States, no drug product containing cannabis or cannabis extracts has been approved for use by the FDA or obtained registrations for commercial production from the U.S. Drug Enforcement Agency ("DEA"), and there is no guarantee that such products will ever be legally produced or sold in the U.S. Cannabis companies in the U.S. that engage in research, manufacturing, distributing, importing or exporting, or dispensing controlled substances must be registered (licensed) to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. Failure to obtain the necessary registrations or comply with necessary regulatory requirements may significantly impair the ability of certain companies in which the Fund invests to pursue medical marijuana research or to otherwise cultivate, possess or distribute marijuana. In addition, because cannabis is a Schedule I controlled substance, Section 280E of the Internal Revenue Code of 1986 ("Internal Revenue Code") applies by its terms to the purchase and sale of medical-use cannabis products and provides that no deduction or credit is allowed for expenses incurred during a taxable year "in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedules I and II of the CSA) which is prohibited by federal law or the law of any state in which such trade or business is conducted." The disallowance of such tax deductions will likely affect the value of cannabis companies.

- » **Non-U.S. Regulatory Risks of the Cannabis Industry.** Laws and regulations related to the possession, use (medical and recreational), sale, transport and cultivation of marijuana vary throughout the world, and the Fund will only invest in non-U.S. cannabis companies if such companies are operating legally in the relevant jurisdiction. Even if a company's operations are permitted under current law, they may not be permitted in the future, in which case such company may not be in a position to carry on its operations in its current locations. Additionally, controlled substance legislation differs between countries and legislation in certain countries may restrict or limit the ability of certain companies in which the Fund invests to sell their products.
- » **Operational Risks of the Cannabis Industry.** Companies involved in the cannabis industry face intense competition, may have limited access to the services of banks, may have substantial burdens on company resources due to litigation, complaints or enforcement actions, and are heavily dependent on receiving necessary permits and authorizations to engage in medical cannabis research or to otherwise cultivate, possess or distribute cannabis. Since the cultivation, possession, and distribution of cannabis can be illegal under United States federal law under certain circumstances, federally regulated banking institutions may be unwilling to make financial services available to growers and sellers of cannabis.

Before investing, carefully consider the fund's investment objectives, risks, charges and expenses.

This and other information is in the prospectus and a summary prospectus, copies of which may be obtained at www.badinvestmentco.com. Read the prospectus carefully before investing.

Foreside Fund Services, LLC, distributor.



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