

# SUBS

Fount Subscription Economy ETF As of 6/30/2022



## OVERVIEW

The Fount Subscription Economy ETF (SUBS) seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the Fount Subscription Economy Index. The index was designed to measure the performance of companies engaged in the business of providing subscription services, i.e., companies that sell products or services for recurring subscription revenue.

## WHY INVEST IN THE SUBSCRIPTION ECONOMY?

**CONSUMER DEMAND** 75% of international adults believe that in the future, they will subscribe to more services and own less physical stuff.<sup>1</sup>

**GROWTH POTENTIAL** 70% of businesses believe that membership and subscription models hold the key to future commercial growth.<sup>2</sup>

**OUTPERFORMANCE** During 2020, revenues of companies in the Subscription Economy Index, on average, grew 11.6%, while their product-based peers saw revenue decline by 1.6%.<sup>3</sup>

## INVESTMENT PROCESS

- Using standard industry classification systems and keywords, the index which underlies the ETF, identifies sectors of the economy that are likely to offer subscription services.
- The index forecasts the 1 year forward revenue from subscription services by using a proprietary artificial intelligence algorithm.
- Only companies that are expected to derive more than 50% of their revenues from subscriptions are included in the index.
- Additional size and liquidity constraints are applied to ensure liquidity and tradability.
- The index employs a modified market capitalization by subscription service-related revenue.
- The top 50 securities by modified market cap are selected for inclusion in the index, and weighted by the market cap.
- The index is rebalanced annually.

## FUND DETAILS

Ticker	<b>SUBS</b>
Cusip	<b>301505582</b>
ISIN	<b>US3015055821</b>
Primary Exchange	<b>NYSE Arca</b>
Inception Date	<b>10/27/2021</b>
Expense Ratio	<b>0.70%</b>

## TOP 10 HOLDINGS

<b>1</b>	Microsoft Corp.	10.11%
<b>2</b>	Alphabet Inc. CI A	4.64%
<b>3</b>	Meta Platforms CI A Inc.	3.09%
<b>4</b>	Amazon.com Inc.	2.90%
<b>5</b>	Tencent Hldg Ltd.	2.89%
<b>6</b>	Verizon Communications Inc.	2.52%
<b>7</b>	Salesforce.com Inc.	2.33%
<b>8</b>	T-Mobile US Inc.	2.32%
<b>9</b>	Oracle Inc.	2.30%
<b>10</b>	AT&T Inc.	2.17%

Holdings subject to change

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## SECTOR BREAKDOWN

Technology	69.26%
Industrials	9.89%
Financials	8.24%
Consumer Cyclical	4.84%
Energy	4.54%
Healthcare	3.23%

## INDUSTRY BREAKDOWN

Software	24.10%
Online Services	19.04%
Wireless Telecommunication Services	10.88%
IT Services & Consulting	7.47%
Professional Information Services	6.95%
Investment Management & Fund Ops	6.34%
Integrated Telecommunications Services	5.78%
Oil & Gas Transportation Services	4.53%
Employment Services	2.94%
Other	11.67%

## GEOGRAPHIC BREAKDOWN

United States of America	71.41%
Canada	8.08%
Hong Kong	7.87%
Japan	6.23%
United Kingdom	3.19%
France	1.51%
Other	1.71%

### Performance

Quarter end as of 6/30/2022	1 Month	3 Months	6 Months	YTD	1 Year	Since Inception
SUBS Market Price	-6.61%	-16.93	-25.94	-25.94	N/A	-29.38%
SUBS NAV	-6.30%	-16.65	-25.98	-25.98	N/A	-29.18%

Inception Date: 10/27/2021

*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 [fountetfs.com](http://fountetfs.com).*

<sup>1</sup> The End of Ownership, Subscribed Institute, 2020

<sup>2</sup> How to Make Money From Membership Economics, Global Banking & Finance, 4/23/19

<sup>3</sup> Created and published by Zuora

**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 full or summary prospectus, which may be obtained by visiting [www.fountetfs.com](http://www.fountetfs.com). Read it carefully before investing or sending money.**

### Risk Disclosures:

Investing involves risk, including possible loss of principal. There is no guarantee the Funds will achieve their stated objectives. In addition to the normal risks associated with investing, international investments may involve the risk of capital loss from unfavorable fluctuation in currency values, differences in generally accepted accounting principles, or social, economic, or political instability in other nations. Emerging markets involve heightened risks related to the same factors, as well as increased volatility and lower trading volume.

The Fund's concentration in an industry or sector can increase the impact of, and potential losses associated with, the risks from investing in those industries/sectors. For SUBS, the Fund may be concentrated in the software industry.

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**Fount Subscription Economy ETF** As of 6/30/2022

The logo for Fount, featuring the word "fount" in a bold, lowercase, sans-serif font. The letter "f" is stylized with a curved tail that loops back under the "o".

Technological changes, pricing, retaining skilled employees, changes in demand, research & development, and product obsolescence can affect the profitability of software companies causing fluctuations in the market price of company securities.

SUBS is subject to communication services sector risk, which can involve the same risks as being concentrated in the software industry. Network security breaches, potential proprietary or consumer information theft, or service disruption can negatively affect companies' stock prices.

SUBS is non-diversified. The Funds are new and have limited operating histories for investors to evaluate. New and smaller funds may not attract sufficient assets to achieve investment and trading efficiencies. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility.

Exchange Traded Concepts, LLC serves as the investment advisor to the Fund. The Fund is distributed by SEI Investments Distribution Co (SIDCO). SIDCO is not affiliated with Exchange Traded Concepts, LLC. or Fount ETFs.