

# Emles Luxury Goods ETF

LUXE

## Fund Objective

The Emles Luxury Goods ETF (LUXE) seeks investment results that correspond, before fees and expenses, to the price and yield performance of the Emles Global Luxury 50 Index, an index comprised of companies that substantially focus on, and significantly benefit from, the sales and consumption of luxury goods globally.

## Key Features

### Opportunity

Investors should consider luxury goods as a distinct consumer category for portfolio construction, as luxury good brands exhibit strong customer loyalty and have potential for high margins.

### Portfolio

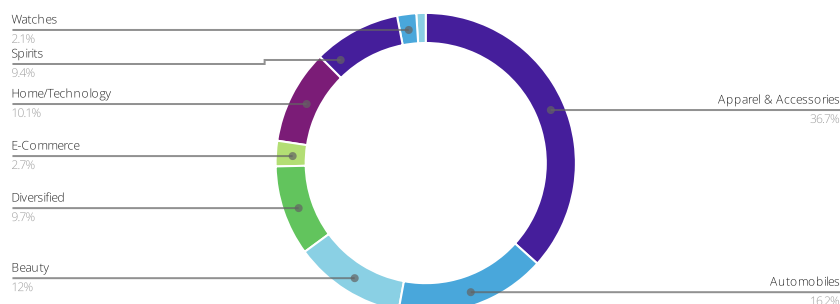
The Emles Luxury Goods ETF (LUXE) aims to provide investors exposure to companies that potentially stand to benefit from increased consumption of luxury goods.

- Managed by an experienced investment and portfolio management team with a track record of innovation
- Tracks a thoughtfully designed proprietary index that offers exposure to the investable luxury goods universe
- Invests in a portfolio of global companies that offer luxury goods across accessories, alcohol, apparel, athleisure, beauty, home and vehicles

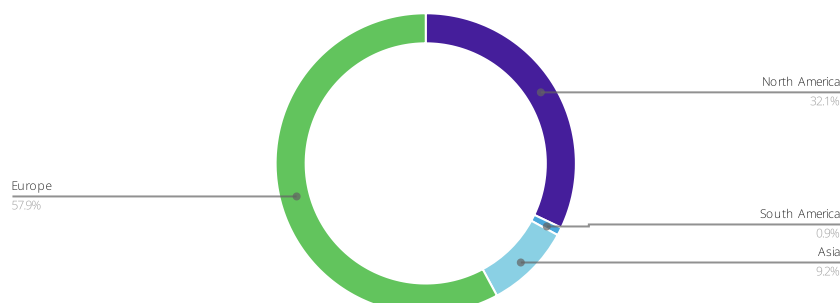
## Outcome

LUXE provides access to high growth potential through companies that focus on the sale and consumption of luxury goods. Complement or diversify your core equity exposure across global markets with the Emles Luxury Goods ETF (LUXE).

### Top Fund Sectors



### Issuer Continent Exposure



Fund characteristics, holdings and sector weightings are subject to change.

## Fund Information

Inception Date	November 24, 2020
Underlying Index	Emles Global Luxury 50 Index
Total Net Assets	\$5.79MM
Distribution Frequency	Quarterly
Expense Ratio	0.60%
Number of Holdings	50

## Trading Information

Ticker	LUXE
CUSIP	291361889
Listing Exchange	CBOE

## Portfolio Managers and Experience

Gabriel Hammond	21 years
Yevgeniy Shelkovskiy, CFA, CAIA	8 years
Eric Qian	7 years

## Fund Characteristics

Beta vs. S&P 500	1.098
Price to Earnings (P/E)	17.36x
Price to Book (P/B)	3.05x
Dividend Yield	1.63
Return on Assets	7.91
30-Day SEC Yield	0.83%

## Top 10 Fund Holdings

Apple Inc	8.2%
Tesla Inc.	8.0%
Lvmh Moet Hennessy Louis Vui	7.6%
Loreal	5.0%
Nike Inc -CI B	3.6%
Hermes International	3.5%
Diageo Plc	3.3%
Christian Dior Se	3.3%
Essilor International Sa	2.4%
Kering	2.3%

The 30-Day SEC Yield represents net investment income earned by the Fund over the 30-Day period ended 06/30/2022, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-Day period. The 30-Day unsubsidized SEC Yield does not reflect any fee waivers/ reimbursements/limits in effect.

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## Performance Summary

For the quarter ended June 30, 2022, Fund positions returned -19.64% at NAV, versus benchmark losses of -26.32% by the S&P 500 Consumer Discretionary Index over the same period.

- **Contributors:** n/a
- **Detractors:** Retail Platforms, EM exposure
- **Outlook:** After several quarters of underperformance, we are hopeful that hawkish central bank policies will start to temper inflation, and luxury goods players will see a bounce as markets price for a rise in consumer sentiment. We continue to favor larger, well-capitalized names as well as those that have a backlog of demand.

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## Quarter in review

- 40% of LUXE names with position level gains in 2Q2022 came from Hong Kong listings **as the Hang Seng market broadly outperformed Europe and the US**. Li Ning stood out as top contributor as the name swung 33% from peak to trough during 2Q2022 on the back of Shanghai's Economic Recovery plan following the city's extended lockdown.

- **Names such as LVMH and Hermes lead the category** in terms of revenue growth, earnings beats, and peer outperformance. Described as "the most resilient player in luxury goods during a recession", Hermes can attribute its record 42% operating margin to years' worth of backlogged demand and steady price increases for items like its legendary Birkin bag. Boasting a similar operating margin of over 40%, LVMH's Fashion and Leather Goods division shrugged off Chinese consumer concerns and delivered record global sales with further upside guided through 2H2022 on the back of easing lockdowns in China.

## Looking ahead

- Negative economic sentiment in Chinese, U.S., and Eurozone consumer economies remain a primary factor for underperformance of the luxury goods sector. We hope for improvements and reversions to the following negative events:
  - o Europe — Ukraine-Russia war
  - o China — COVID resurgence, lockdowns
  - o US — GDP contraction

## Emles Luxury Goods ETF

### LUXE

	Cumulative returns			Annualized returns			
	1 mos	3 mos	YTD	1 yr	3 yr	5 yr	Since Fund Inception
Emles Luxury Goods ETF at NAV	-7.71%	-19.64%	-29.94%	-30.94%	–	–	-8.31%
Emles Luxury Goods ETF at Market Price	-7.67%	-19.11%	-29.60%	-30.97%	–	–	-8.12%
Emles Global Luxury 50 Index	-7.67%	-19.50%	-29.63%	-30.75%	–	–	-12.74%

**Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and principal value will fluctuate, so that Fund shares may be worth more or less than their original cost when sold. Performance data current to the most recent month-end is available at [www.emles.com](http://www.emles.com) or by calling +1 (833) 673-2661. You cannot invest directly in an index. Shares are bought and sold at market price (closing price), not net asset value (NAV), and are not individually redeemed from the Fund. Market performance is determined using the bid/ask midpoint at 4:00pm Eastern Time when the NAV is typically calculated. Brokerage commissions will reduce returns.**

Learn more at  
[www.emles.com](http://www.emles.com)

**Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the Fund's prospectus, which may be obtained by visiting [www.emles.com](http://www.emles.com) or by calling +1 (833) 673-2661. Please read the prospectus carefully before you invest.**

Investing involves risk, including possible loss of principal. Small and mid-capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. Events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. Global events such as the current novel coronavirus (COVID-19), terrorist attacks, natural disasters, social and political discord or debt crises and downgrades, among others, may result in market volatility and have long term effects on both the U.S. and global financial markets. The Fund is non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance. The Fund is not actively managed and would only sell shares of an equity security if that security is removed from the Index or the Index is rebalanced. Please see the prospectus for details of these and other risks.

Foreside Financial Services, LLC, Distributor