CHANGE FINANCE
INVESTING IN SERVICE TO LIFE

As of 6/30/2018

Oil Is Up: Let's keep it in the ground anyway.

Q2 PERFORMANCE

The second quarter of 2018 brought rising oil prices and a market driven by just a few names. Oil rose above $75 a barrel – a key profitability mark for many of the more complex forms of drilling, and tar sands. As a result, fossil fuel companies rallied over the quarter. In additional, many of the large technology companies posted outsized gains in comparison with the S&P500 overall, driving the index to a 3.43% return. In many ways, this dulled a potential sell-off as markets begin to process the reality of international trade wars.

The Change Finance U.S. Large Cap Fossil Fuel Free ETF (CHGX) underperformed the S&P500 in Q2, eating through the 0.96% outperformance in Q1. Six months in, CHGX is up 2.03% while the S&P500 is up 2.65%. This was due in large part to two factors: CHGX is fossil fuel free, and equal weighted.

PERFORMANCE

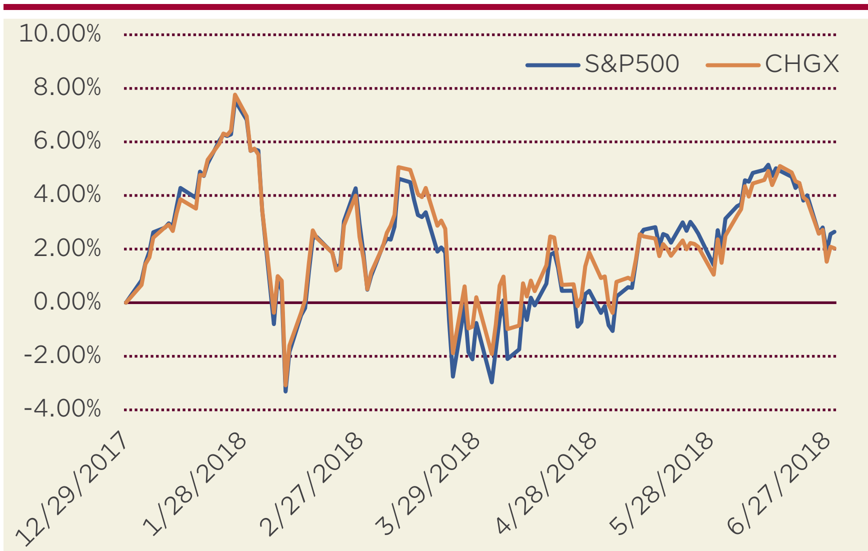
As of 6/30/2018

	AVG ANNUALIZED				
	YTD	Quarter	1 Year	3 Year	Since Inception (10/9/17)
NAV	2.03%	1.82%	N/A	N/A	6.01%
CHGX Market Price	1.71%	1.87%	N/A	N/A	5.83%
S&P 500	2.65%	3.43%	N/A	N/A	6.82%

Expense Ratio: 0.49%

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 (1-800-617-0004). 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.

YTD PERFORMANCE



Q2 2018	CHGX	S&P 500
Total Return (NAV)	1.82%	3.43%
Volatility	0.77%	0.79%
Downside Capture	99.14%	N/A
Upside Capture	90.86%	N/A

Fossil Fuel Divestment

While we believe divestment from fossil fuels is the moral thing to do, given the reality of climate change, our investment philosophy assumes that the sector will become more volatile over time and ultimately underperform – as individuals, corporations, and countries decrease their reliance on fossil fuels.

The writing is already on the wall. Numerous countries have committed to only selling electric cars in the near future, including India, China, France, Britain, Norway, and the Netherlands, as well as cities like Barcelona, Vancouver, and Copenhagen. We invest with the belief that this headwind will only get stronger as time passes. And hey: we're paid to be investors, not traders.

Equal Weighting

What is equal weighting? Equal weighted funds invest equally in each company, rather than invest more in the bigger companies like Apple and Amazon. These funds tend to underperform when a few large companies outperform the rest of the index. And this quarter, Netflix, Amazon, Apple, Microsoft, and Twitter played an outsized role in the return of the S&P500.

So why is CHGX equal weighted? There are two reasons. First, all large companies used to be small companies. Investing in companies equally means returns should be larger when smaller companies succeed, and when the whole economy grows. We believe the future clean economy will come as much from the small and not-yet-established as from the big players of today.

Second, companies with the biggest gains have the most to lose. It has tended to be true over time that companies follow periods of outperformance with periods of underperformance – "reverting to the mean". Historically, equal weighted funds don't over-invest in the winners, so they aren't over invested in the potential underperformance. With an economy nearing the end of a long bull market, we believe an equal weighted fund holds the potential to lose less and be less volatile when the economy corrects.

Conclusion

While CHGX (2.03% YTD) has underperformed the S&P500 (2.65% YTD), we are excited by the promise of our impact methodology. Despite owning no fossil fuel companies and underweighting these few big names in comparison with the benchmark, CHGX is only slightly off the pace. We believe this may be an early indicator that our impact methodology can lead to outperformance through better values in the longer run.

Values

CHGX continued to achieve positive performance in Q2 while retaining its high marks for values (see table). In our 2018 Q1 report we focused on our Morningstar Sustainability rating and on our score from As You Sow's fossilfreefunds.org. In this report and moving forward, we add updates on two additional metrics from As You Sow:

- Tropical deforestation as measured by As You Sow's deforestationfreefunds.org
- Tobacco as measured by As You Sow's tobaccofreefunds.org

MORNINGSTAR (as of 7/23/2018)	
Globes	5
Percent Rank in Category	1
Category	Large Blend
Peer Group Size	7,543

ETF.com (as of 7/23/2018)	
ESG Score Peer Rank	81.38 (highest)
Carbon Intensity	95.98 (lowest)
Sustainable Impact Exposure	9.66% (highest)
SRI Screening Criteria Exposure	0 (lowest)
Peer Group	US Large Cap, ESG
Peer Group Size	8

AS YOU SOW (as of 6/28/2018)	**Score**	**Holdings**	**Assets**
Fossil Free Funds	5/5	0	0
Deforestation Free Funds	B	6	6.03%
Tobacco Free Funds	4/5	2	1.14%

Tropical Deforestation

> Deforestation Free Funds begins with palm oil because the unsustainable expansion of this industry is particularly noted for causing social conflict and human rights abuses in tropical countries, driving endangered species to the edge of extinction, and driving Indigenous Peoples off their land. We also begin with palm oil because the last few years have seen significant recognition by the palm oil sector that it needs to scale back its destructive impacts on forests and forest-dwelling people. – *As You Sow, deforestationfreefunds.org*

Deforestationfreefunds.org evaluates mutual fund and ETF holdings in three categories:

- **Palm Oil Companies** that produce or sell palm oil.
- **Banks and Lenders** that finance palm oil companies.
- **Major Consumer Brands** that purchase palm oil and use it in their products.

CHGX receives a grade of B because it is currently free of Palm Oil Companies, but includes some companies that use or finance palm oil as long as those companies have strong commitments to improve the sustainability of palm oil in their supply chains. Deforestationfreefunds.org reserves A grades for funds which exclude all companies it identifies as making, using, or financing palm oil, without regard for whether those companies are driving improvements in the industry.

Tobacco

Tobaccofreefunds.org flags each fund's holdings in tobacco companies and/or in entertainment companies that it deems to promote smoking. CHGX receives 4 of 5 stars for being free of tobacco companies but holding a limited number of companies that are flagged as tobacco-promoting entertainment companies. We believe that entertainment companies are an important part of a balanced portfolio and that we can do as much good through shareholder advocacy efforts to encourage companies to reduce the promotion of tobacco as we can through divestment.

Investing involves Risk. Principal loss is possible. Investments in Real Estate Investment Trusts (REITs) involve additional risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. The social, governance, and/or environmental policy of the Fund could cause it to make or avoid investment that could result in the portfolio underperforming similar funds that do not have such policies. The Fund is a recently organized, diversified management investment company with no operating history. As a result, prospective investors have no track record on which to base their investment decisions. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV, and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Diversification does not assure a profit or protect against a loss in a declining market.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information can be found in the Fund's prospectus. To obtain a prospectus, please call 303-339-0525 or visit http://changefinanceetf.com/chgx/prospectus. Please read the prospectus carefully before investing.

The Change Finance Diversified Impact U.S. Large Cap Fossil Fuel Free Index uses an objective, rules-based methodology to measure the performance of an equal-weighted portfolio of approximately 100 large cap U.S.-listed companies that meet a diverse set of environmental, social, and governance ("ESG") standards.

The Change Finance Diversified Impact U.S. Large Cap Fossil Fuel Free ETF is distributed by Quasar Distributors, LLC. The fund's investment advisor is Change Finance, PBC. and Change Finance, PBC owns the index that underlines the fund. Quasar is not affiliated with Change Finance.

References to specific securities or industries do no constitute a recommendation and are subject to risk. Fund holdings and allocations are subject to change. Fund holdings can be found at http://changefinanceetf.com/chgx.

The performance of the Fund may diverge from that of the index. Because the fund may employ a representative sampling strategy and may also invest in securities that are not included in the index, the fund may experience tracking error to a greater extent than funds that seek to replicate an index. The funds are not actively managed and may be affected by a general decline in market segments related to the index.

Effective April 18, 2018 the Fund's name changed from the Change Finance Diversified Impact U.S. Large Cap Fossil Fuel Free ETF to the Change Finance U.S. Large Cap Fossil Fuel Free ETF.

NAV: The Net Asset Value of a share of the ETF as calculated from the values of the underlying shares.

Market Price: the price at which a share of the ETF actually trades.

S&P 500: The Standard & Poor's 500, often abbreviated as the S&P 500, or just the S&P, is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices. It is not possible to invest directly in an index. (From Investopedia)

Volatility: Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security. (From Investopedia)

Downside Capture: The down-market capture ratio is a statistical measure of an investment manager's overall performance in down-markets. It is used to evaluate how well an investment manager performed relative to an index during periods when that index has dropped. (From Investopedia).

Upside Capture: The up-market capture ratio is the statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. (From Investopedia)

The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance, or ESG, risks and opportunities relative to the fund's Morningstar Category peers.

The Morningstar Sustainability Rating calculation is a two-step process. First, each fund with at least 50% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies that score well after normalization and controversy-level deductions are applied.

The Morningstar Sustainability Rating (indicated by 1 to 5 globes) is then assigned to all scored funds within Morningstar Categories in which at least ten (10) funds receive a Portfolio Sustainability Score and is determined by each fund's rank within the following distribution:

- 5 Globes: High (highest 10%)
- 4 Globes: Above Average (next 22.5%)
- 3 Globes: Average (next 35%)
- 2 Globes: Below Average (next 22.5%)
- 1 Globe: Low (lowest 10%)

Morningstar updates its Sustainability Ratings monthly. The Portfolio Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date.

The MSCI ESG Quality Score is similar to the Morningstar Portfolio Sustainability Score, but derived from MSCI's company-level ESG scores, rather than those of Sustainalytics. The ESG Quality Score is given on a scale of 1-10, with 10 being best.

ESG Score Peer Rank is a percentile score indicating how a given Fund's MSCI ESG Quality Score is positioned relative to peer Funds. As utilized in ETF.com's screening tool, the ESG Score Peer Rank is calculated for the set of Funds selected by a given search filter.

The Carbon Intensity score is a weighted average of the Carbon Intensities of the underlying securities in the Fund. Carbon Intensity is a measure of carbon output relative to sales (tons of carbon emissions per million dollars in sales). Low scores mean less carbon output relative to sales and are better.

Sustainable Impact Exposure is a weighted average of the portion of revenues generated by each company in the Fund from products or services deemed by MSCI to support one of the United Nations Sustainable Development Goals. Companies with severe environmental, social, or governance controversies, or with significant involvement in objectionable business areas including predatory lending, weapons, alcohol, and tobacco are excluded. High scores mean more revenue coming from sources with positive impacts and are better.

SRI Screening Criteria Exposure indicates the percentage of the Fund's value which derives from companies flagged for one or more SRI screening criteria (alcohol, civilian firearms, gambling, tobacco, weapons, cluster bombs, nuclear power, GMOs). Lower scores indicate less of the value of the Fund is derived from problematic business areas and are better.

Fossil Free Funds gives each fund up to five badges. Each badge is associated with a category within the fossil fuel energy sector. To receive a badge for the category, the fund must have no investments in any company included in that category. The five categories are:

- The Carbon Underground 200™: compiled and maintained by Fossil Free Indexes℠, identifies the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves.
- Coal Industry: companies engaged in mining coal as designated by Morningstar, as well as the top 100 coal reserve holders from the Carbon Underground 200™.
- Oil/gas Industry: companies from six Morningstar sub-categories: drilling, extraction and production, integrated, midstream, refining and marketing, and equipment and services. It also includes the top 100 oil/gas reserve holders from the Carbon Underground 200™.
- The Macroclimate 50®: the 50 largest public-company owners of coal-fired power plants in Developed Markets plus China and India.
- Fossil-Fired Utilities: companies from four Morningstar sub-categories: independent power producers, diversified, regulated electric, and regulated gas excluding companies in these categories that are engaged in 100% renewable operations, pure transmission, or otherwise don't burn fossil fuels to generate power.

Deforestation Free Funds gives each fund a grade (A, B, C, D, or F) depending on the fund's holdings in companies that produce or sell palm oil, companies that provide financing to palm oil producers, or companies that buy and use palm oil in products. Funds that have no holdings in any of these categories receive an A. Funds with no holdings in palm oil producers/sellers receive a B if their net assets invested in the other categories are below median and a C if above. Companies with holdings in palm oil producers/sellers receive a D if their total net assets invested in companies from all categories is below median and an F if above median.

Tobacco Free Funds gives each fund up to five stars depending on the fund's holdings in tobacco companies and/or entertainment companies that are considered by Tobacco Free Funds to promote tobacco use. Funds that have no holdings in either category receive 5 stars. Funds that have holdings in entertainment companies but not in tobacco companies receive 4 stars if their net assets invested in tobacco-promoting entertainment companies is below the median and 3 start if above. Funds that have holdings in tobacco companies receive 2 stars if their net assets invested in companies in both categories combined is below the median and 1 star if above.