CHANGE FINANCE
INVESTING IN SERVICE TO LIFE

As of 9/30/2018

2018 Q3 Analysis: New Highs, Same Questions.

Q3 PERFORMANCE

In the third quarter, U.S. equity markets grew dramatically, despite tightening monetary policy from the Federal Reserve and ongoing geopolitical tensions over trade and tariffs. This was due in no small part to strong corporate earnings growth and growth in the economy, which compressed the price to earnings ratio. Oil prices rose from strong domestic economic growth and shrinking supply due to geopolitical events, though the energy sector actually fell slightly. Despite it all, the S&P500 returned 7.71% while CHGX returned 7.59%, the best quarter for the S&P500 since 2013 and CHGX's best quarter since inception.

PERFORMANCE — As of 9/30/2018

			AVG ANNUALIZED		
	YTD	Quarter	1 Year	3 Year	Since Inception (10/9/17)
NAV	9.72%	7.59%	N/A	N/A	14.40%
CHGX Market Price	10.20%	8.34%	N/A	N/A	15.00%
S&P 500	10.56%	7.71%	N/A	N/A	16.66%

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

Q3 2018	CHGX	S&P 500
Total Return (NAV)	7.59%	7.71%
Volatility	0.49%	0.46%
Downside Capture	108.27%	-
Upside Capture	104.21%	-

The rally was led by the healthcare, information technology, and industrials sectors. Some of this was driven by stock buybacks, as companies had higher net income from U.S. tax cuts. Buybacks are up nearly 30% over the past 12 months. The larger contributor, however, was the strength of the economy, and the strong earnings that went along with it. And while some large companies, such as Apple, continued to deliver good returns, many smaller companies in the S&P500 were among the leading performers as well. Wall Street continued to choose high growth stocks over value stocks, however that trend may be shifting as evidenced by the volatility we now see in the markets.

A change in investor demand towards smaller, value companies would see stock price performance spread more evenly across the S&P500, which we believe could lead to strong performance from equal-weighted investment funds like CHGX. This is still an open question, however, as investors on Wall Street actively debate whether returns will be found in growth or value companies.

Interestingly, despite the rise in oil prices, the energy sector was a drag on the S&P500's performance. Wall Street may have been looking to increased energy output from the U.S., which is expected to grow throughout the end of 2018 and 2019, as oil prices have made dirtier, domestic production profitable again. It has been said that "the cure for high oil prices, is high oil prices." Oil prices have risen in no small part due to shrinking supply driven by decreases in production. Now that it is more profitable to produce dirtier, domestic oil, production is increasing again. As new supply grows, it is possible that oil prices will stagnate or fall, and the energy sector along with it.

Especially given the fall in stock prices we saw in October, it's important to consider the trajectory of the U.S. economy as a whole. Though much longer than a "normal" business cycle, the U.S. economy has continued to improve. Consumer spending has been boosted by tightening labor markets and an unemployment rate below 4%. This has also led to upward pressure on prices as well. Given this, we expect the Federal Reserve to continue raising rates in 2019, aiming to limit inflation. This will likely drag on the steady improvement in the economy, but signs of a collapse have yet to materialize.

The largest concern for the economy is the current trajectory of U.S. trade policy. The U.S. and China are central to the global trade network, so rising trade barriers between the two threatens global financial markets. So far, Wall Street has remained optimistic, as the two countries have escalated less than feared. If escalation continues, however, this could spell a turn in the global economy, and financial markets by extension.

Values

CHGX continued to achieve positive performance in Q3 while retaining its high marks for values (see table). In fact, CHGX's standing among its closest peers as measured by ETF.com improved over Q2, with Peer Rank rising from 81.38 to 91.37, Carbon Intensity falling from 95.98 to 35.00, and Sustainable Impact Exposure rising from 9.66% to 10.24%. CHGX retained its standing scores from As You Sow, although it did drop slightly from the top 1% to the top 2% among peers in Morningstar.

MORNINGSTAR (as of 9/30/2018)

Globes	5
Percent Rank in Category	2
Category	Large Blend
Peer Group Size	7,248

ETF.com (as of 11/18/2018)

ESG Score Peer Rank	91.37 (highest)
Carbon Intensity	35.00 (lowest)
Sustainable Impact Exposure	10.24% (highest)
SRI Screening Criteria Exposure	0 (lowest)
Peer Group	US Large Cap, ESG
Peer Group Size	8

AS YOU SOW (as of 10/30/2018)	Score	Holdings	Assets
Fossil Free Funds	5/5	0	0
Deforestation Free Funds	B	6	6.36%
Tobacco Free Funds	4/5	1	1.18%

GENDER EQUALITY FUNDS (as of 10/30/2018)

	Score	Overall Rank	Peer Rank
Score	48/100	82.9	80.2
Peer Group Size		5000	540

Measuring Gender

A substantial and growing body of evidence supports the theory that gender diversity leads to better corporate performance[1] which is why, in addition to the metrics for Deforestation and Tobacco we added to our reporting on values in Q2, we are now adding metrics on gender utilizing the latest tool from As You Sow, genderequalityfunds.org. Gender Equality Funds uses scoring data from Equileap which scores more than 4,000 companies based on their gender balance and gender policies. The gender balance score component assesses gender balance on the Board of Directors, at the executive and senior management levels, throughout the workforce, and in promotion and career development. The gender policies score assesses a company's compensation, career development, recruitment, workplace safety, human rights, supply chain, and employee protection policies with respect to gender. While CHGX's absolute score, 48/100 sounds low, the fact that this score also places CHGX in the top 20% of ranked funds demonstrates that there remains much work to be done to reach real gender equality in the workplace.

[1] Gordon, Sarah. "Female leaders boost the bottom line," The Financial Times, September 26, 2017.

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.

Price to earnings ratio: market value per share/earnings per share.

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.

Gender Equality Funds gives each fund a score between 0-100. Scores are calculated as a normalized, weighted average based on market value of the scores for each security in the portfolio assigned a Gender Equality score by Equileap. Equileap assigns scores of 0-22 for each of more than 4,000 companies it rates, with up to 15 points available for gender balance and up to 7 points available for gender equality policies. Gender Equality Funds then provides a percentile rank for each fund against all other funds it rates (Overall Rank) and against peers in the same Morningstar category (Peer Rank).