

# Managing Values & Assets in a Volatile Market

## Q1 PERFORMANCE

The first quarter of 2018 saw increased market volatility. The S&P 500 started the quarter off strong, climbing more than 7% in the first month, before entering a period of market correction, and ending down 0.76%.

The Change Finance U.S. Large Cap Fossil Fuel Free ETF (CHGX) demonstrated that it is possible to build resilience to volatility into a product which offers the opportunity to simultaneously protect clients' values and sustain their financial assets. In the same period in which the S&P 500 ended down after a volatile quarter, CHGX ended up by 0.20%.

## PERFORMANCE

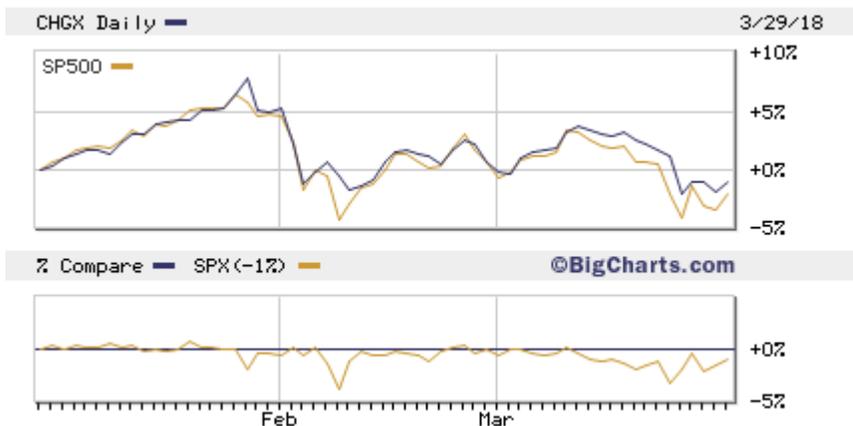
As of 3/31/2018

### AVG ANNUALIZED

	Quarter	1 Year	3 Year	Since Inception (10/9/18)
NAV	0.20%	N/A	N/A	4.42%
CHGX Market Price	-0.16%	N/A	N/A	4.19%
S&P 500	-0.76%	N/A	N/A	3.78%

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



Q1 2018	CHGX	S&P 500
Total Return (NAV)	0.20%	-0.76%
Volatility	1.20%	1.25%
Downside Capture	94.48%	N/A
Upside Capture	96.72%	N/A

Values

CHGX outperformed the S&P 500 during the volatile first quarter without compromising on values. As of February 28, 2018, Morningstar rated CHGX 5 out of 5 globes and places it in the top 1% out of 7276 Large Blend funds in terms of ESG rating.

**Morningstar Sustainability** CHGX More...

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**Morningstar Sustainability Rating**



**High**

**Percent Rank in Category: 1**

**Sustainability Score: 51**  
Based on 100% of AUM

**Category**

**Large Blend**

**Sustainability Mandate**

**Yes | ESG Focus**

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Sustainability Score as of 05/02/2018. Sustainability Rating as of 02/28/2018. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score. Sustainability Mandate information is derived from the fund prospectus.

Furthermore, among the 7 ETFs etf.com identifies as its closest competitors (U.S. Large Cap, ESG), CHGX receives the best score in each ESG category (MSCI ESG Quality Score, ESG Score Peer Rank, ESG Score Global Rank, Carbon Intensity, Sustainable Impact Exposure, SRI Screening Criteria Exposure) and an ESG Score Peer Rank of 90.35 out of 100 (as of 5/3/2018).

Finally, As You Sow's fossilfreefunds.org shows CHGX as the only diversified, Large Blend, socially responsible ETF (14 total) to receive all five fossil free badges and to have zero fossil fuel holdings.

**Fossil Free Funds** Get email updates [Sign up](#) Menu

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**Change Finance Diversified Impact U.S. Large Cap Fossil Fuel Free ETF** CHGX socially responsible

Change Finance Diversified Impact U.S. Large Cap Fossil Fuel Free ETF \$CHGX has no fossil fuel stock holdings! [Tweet](#)



**\$0**  
in fossil fuel investments

socially responsible



**5 of 5 Badges**

A fund can earn up to five badges for avoiding stock investments in different fossil fuel sectors. [See how we track fossil fuel investments](#)

0

fossil fuel stocks found

0%

of assets flagged

Data as of 3/28/18

**This fund earns all five of our fossil free badges!**



For each fossil fuel category, we show the fund's exposure, or a green badge if it's clean. Click a category to see the breakdown of companies in the pie chart and list below.

<b>Producers energy sector</b>		
	Carbon Underground 200 <small>Top 200 owners of coal and oil/gas reserves</small>	Fossil free badge <small>No direct stock holdings</small>
	Coal industry <small>Coal miners and owners of coal reserves</small>	Fossil free badge <small>No direct stock holdings</small>
	Oil/gas industry <small>Oil/gas producers and refiners, oil field services and equipment companies, and pipeline operators</small>	Fossil free badge <small>No direct stock holdings</small>
<b>Consumers utility sector</b>		
	Macroclimate 50 <small>50 largest coal-fired utilities</small>	Fossil free badge <small>No direct stock holdings</small>
	Fossil-fired utilities <small>Electric utilities powered by coal and natural gas</small>	Fossil free badge <small>No direct stock holdings</small>

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**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.

**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.

ESG Score Global Rank is similar to the ESG Score Peer Rank, but provides a percentile ranking against all Funds covered by MSCI's ESG Quality Score metric.

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.

Carbon Underground 200 is a list updated annually by Fossil Free Indexes, LLC, identifying the top 100 coal companies and top 100 oil and gas companies globally ranked by potential carbon emissions from their reported fossil fuel reserves.

Macroclimate 50 is a list of the 50 largest public owners of coal-fired power plants in the developed world, China, and India.

