

## Index Description

The Nasdaq Junior Biotechnology Index is a modified market capitalization weighted index that tracks the performance of junior companies, with a market capitalization that is less than \$5 billion, listed on the Nasdaq Stock Market® (Nasdaq®). They must be classified as either biotechnology or pharmaceutical according to the Industry Classification Benchmark (ICB). These are companies engaged in biotech research and development, the sale or licensing of biological substances for the purposes of drug discovery and diagnostic development; and pharmaceutical manufacturers of prescription or over-the-counter drugs, including vaccines and development and manufacturing companies.

## Fund Details

Ticker	IBBJ
Exchange	NASDAQ
CUSIP	26922A14
NAV Symbol	IBBJ.NV
Inception Date	8/3/2020
Expense Ratio	0.45%
Net Assets	\$8.6M
# of Holdings	244

## Why IBBJ?

The value of the global pharmaceutical market rose from about US\$390 billion in 2001, to about US\$1.25 trillion at the end of 2019.

Whether for cancer research, or a vaccine, or treatment for Covid-19, we believe the strong demand side continues to combine with government regulation and policies prioritizing these sectors.

Small-cap biotech companies have the potential advantage of a Food and Drug Administration more receptive to new cutting-edge and rare-disease therapies. They are also strengthened by increased patient lobbying and greater willingness by insurers to pay for treatments. Combined with the potential for mergers-and-acquisitions and the U.S. government's recent gigantic Covid-19 aid to small and mid-sized companies, small-caps seemed likely to lead the domestic recovery.

In previous periods of uncertainty and unpredictability, biotechnology benchmarks have been known to beat the wider market.<sup>1</sup>

## Holdings Snapshot (%)

As of 12/31/2020

Company	Ticker	Exchange	%
Bridgebio Pharma Inc	BBIO	NASDAQ	2.33%
Fate Therapeutics Inc	FATE	NASDAQ	2.12%
Zai Lab Ltd	ZLAB	NASDAQ	2.01%
Kodiak Sciences Inc	KOD	NASDAQ	1.99%
Allakos Inc	ALLK	NASDAQ	1.97%
Twist Bioscience Corp	TWST	NASDAQ	1.71%
Amicus Therapeutics Inc	FOLD	NASDAQ	1.62%
Turning Point Therapeutics Inc Com	TPTX	NASDAQ	1.57%
Halozyme Therapeutics Inc	HALO	NASDAQ	1.55%
Eidos Therapeutics Inc	EIDX	NASDAQ	1.36%

*Fund holdings and sectors are subject to change at any time and should not be considered recommendations to buy or sell any security.*

<sup>1</sup> Biotech ETFs in the Spotlight, Why They'll Remain There," Tom Lydon, ETF Trends, June 18, 2020, [www.etftrends.com/etf-building-blocks-channel/biotech-etfs-in-the-spotlight-why-they-can-rem](http://www.etftrends.com/etf-building-blocks-channel/biotech-etfs-in-the-spotlight-why-they-can-rem)



Subsector Breakdown	As of 12/31/2020
Biotechnology	87.53%
Pharmaceuticals	12.47%

Standardized Performance (Avg Annualized)	As of 12/31/2020				
	1 Mo	3 Mo	1 Yr	3 Yr	Since Inception
Fund Nav	11.02%	33.55%	N/A	N/A	38.90%
Market Price	11.33%	33.69%	N/A	N/A	38.96%
NBIJR Index	11.15%	34.23%	N/A	N/A	39.78%
NBI Index	4.49%	11.80%	N/A	N/A	9.22%

*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 narrative quoted. Performance current to the most recent month-end can be obtained by calling (1-833-333-9383). 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. Market price is the price at which shares in the ETF can be bought or sold on the exchanges during trading hours, while the net asset value (NAV) represents the value of each share's portion of the fund's underlying assets and cash at the end of the trading day.*

Geographic Breakdown	As of 12/31/2020
United States	87.92%
China	3.35%
Ireland	1.95%
Great Britain	1.37%
Canada	1.31%
Israel	0.96%
Spain	0.58%
Denmark	0.49%
Netherlands	0.44%
Hong Kong	0.43%
Cayman Islands	0.30%
France	0.25%
Belgium	0.18%
Bermuda	0.15%
Germany	0.14%
Singapore	0.10%

*The Funds' investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company which can be obtained by visiting [www.defianceetfs.com/ibbj](http://www.defianceetfs.com/ibbj) or calling 833.333.9383. Please read it carefully before investing.*

Investing involves risk. Principal loss is possible. The Fund is a recently organized investment company with no operating history. As an ETF, the fund may trade at a premium or discount to NAV. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. The Fund is not actively managed and would not sell a security due to current or projected under performance unless that security is removed from the Index or is required upon a reconstitution of the Index. A portfolio concentrated in a single industry or country, may be subject to a higher degree of risk. The Fund is considered to be non-diversified, so it may invest more of its assets in the securities of a single issuer or a smaller number of issuers.

The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large- or mid-capitalization companies. The success of biotechnology companies is highly dependent on the development, procurement and/or marketing of drugs. The values of biotechnology companies are also dependent on the development, protection and exploitation of intellectual property rights and other proprietary information, and the profitability of biotechnology companies may be affected significantly by such things as the expiration of patents or the loss of, or the inability to enforce, intellectual property rights. The research and development and other costs associated with developing or procuring new drugs, products or technologies and the related intellectual property rights can be significant, and the results of such research and expenditures are unpredictable and may not necessarily lead to commercially successful products.

Diversification does not assure a profit, nor does it protect against a loss in a declining market.

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