

## Index Description

The Indxx SPAC & NextGen IPO Index is a passive rules-based index that tracks the performance of the common stock of newly listed Special Purpose Acquisition Companies ("SPACs"), ex-warrants, and initial public offerings ("IPOs") derived from Acquisition Companies.

## What are SPACs?

SPACs are companies with no commercial operations that are established solely to raise capital from investors for the purpose of acquiring one or more operating businesses.

## Why Invest in SPACs?

SPACs give emerging companies both flexibility and control, while investors finally have open access to some of the biggest investment deals in the market.

The IPO process is institutionalized, cumbersome and inflexible, especially in adapting to the Covid-19 reality where virtual road shows are less effective, and uncertainty is rife. Enter the Special Purchase Acquisition Company (SPAC), an alternative route for a company to go public, which can be cheaper, quicker, more transparent and involves agreements and processes more within the purview and control of the company.

SPACs have grown in popularity as they increasingly attract high-worth, credible sponsors. As the quality of their founders and the success of their merger companies grows, so does their integrity in the wider investment community. So far in 2020, SPACs have raised \$22.5 billion to spend on deals, exceeding the record \$13.6 billion raised in 2019.<sup>1</sup>

## Fund Details

Ticker	SPAK
Exchange	NYSE
CUSIP	26922B204
NAV Symbol	SPAK.NV
Inception Date	9/30/2020
Expense Ratio	0.45%
Net Assets	\$70.6M
# of Holdings	137

## Why SPAK?

Picking the winners among individual SPACs can be very difficult, however the ETF structure allows investors to access the most liquid SPAC IPOs in a diversified basket. SPAK empowers both financial advisors and retail investors to participate in an IPO private equity style of investing, which is usually only available to large financial institutions. The ETF currently has 137 holdings, rebalanced on a quarterly basis. A 60% weighting is applied to IPO companies derived from SPACs and 40% is allocated to common stock of newly listed Special Purpose Acquisition Companies ("SPACs") and ex-warrants. Newly IPO-ed companies derived from SPACs will be screened monthly and SPACs quarterly.

## Holdings Snapshot (%)

As of 1/31/2021

Company	Ticker	Exchange	%
Draftkings Inc	DKNG	NASDAQ	10.56%
Virgin Galactic Holdings Inc Com	SPCE	NYSE	7.00%
Clarivate PLC	CCC	NYSE	6.99%
Vertiv Holdings Co	VRT	NYSE	5.66%
Vivint Smart Home Inc	VVNT	NYSE	3.45%
Hyllion Holdings Corp	HYLN	NYSE	3.31%
Open Lending Corp	LPRO	NASDAQ	3.27%
Velodyne Lidar Inc	VLDR	NASDAQ	2.38%
Repay Hldgs Corp	RPAY	NASDAQ	1.84%
Broadmark Rlty Cap Inc	BRMK	NYSE	1.74%

*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> "Wall Street holds the cards as Main Street chases blank-check deal frenzy," Joshua Franklin, Krystal Hu, August 18, 2020. [www.reuters.com/article/us-usa-spac-wallstreet-analysis-idUSKCN25E166](http://www.reuters.com/article/us-usa-spac-wallstreet-analysis-idUSKCN25E166)



**Standardized Performance (Avg Annualized)**

As of 1/31/2021

	1 Mo	3 Mo	1 Yr	3 Yr	Since Inception
Fund Nav	5.20%	34.56%	N/A	N/A	19.18%
Market Price	5.24%	34.63%	N/A	N/A	19.37%
ISPAK Index	5.27%	35.01%	N/A	N/A	19.63%

*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.*

*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/spak](http://www.defianceetfs.com/spak) or calling 833.333.9383. Please read it carefully before investing.*

Investing involves risk. Principal loss is possible. 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 equity securities held in the Fund's portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests. Investments in non-U.S. securities involve certain risks that may not be present with investments in U.S. securities. For example, investments in non-U.S. securities may be subject to risk of loss due to foreign currency fluctuations or to political or economic instability. Investments in non-U.S. securities also may be subject to withholding or other taxes and may be subject to additional trading, settlement, custodial, and operational risks. These and other factors can make investments in the Fund more volatile and potentially less liquid than other types of investments. The Fund invests in companies that have recently completed an IPO or are derived from a SPAC. These companies may be unseasoned and lack a trading history, a track record of reporting to investors, and widely available research coverage. IPOs are thus often subject to extreme price volatility and speculative trading. These stocks may have above-average price appreciation in connection with the IPO prior to inclusion in the Index. The price of stocks included in the Index may not continue to appreciate and the performance of these stocks may not replicate the performance exhibited in the past. In addition, IPOs may share similar illiquidity risks of private equity and venture capital. The free float shares held by the public in an IPO are typically a small percentage of the market capitalization. The ownership of many IPOs often includes large holdings by venture capital and private equity investors who seek to sell their shares in the public market in the months following an IPO when shares restricted by lock-up are released, causing greater volatility and possible downward pressure during the time that locked-up shares are released. The Fund is considered to be 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 associated with and developments 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 new with a limited operating history.

SPAK is distributed by Foreside Fund Services, LLC.