

ITAN

Sparkline Intangible Value ETF



SPARKLINE
CAPITAL

December 31, 2023

Value Investing for the Modern Era

"The four largest companies today by market value do not need any net tangible assets. They are not like AT&T, GM, or Exxon Mobil, requiring lots of capital to produce earnings. We have become an asset-light economy."

- Warren Buffett



The Intangible Economy

Value investing is a time-honored framework for buying companies below intrinsic value. However, as the economy shifts from industrial to information-based, intrinsic value is increasingly becoming intangible rather than tangible. **ITAN** brings value investing to the modern era by including four pillars of intangible value.



**Intellectual
Property**



**Brand
Equity**



**Human
Capital**



**Network
Effects**



Quantifying Dark Matter

Intangible value is challenging to quantify, as it is largely omitted from financial statements. The most relevant data tend to be large, noisy, and unstructured (e.g., patents, social media, job postings, earnings calls). Sparkline uses state-of-the-art natural language processing to convert these data into quantitative measures of intangible value for each firm.



How to Use ITAN?



**Value
Replacement**

Modernize portfolio
without abandoning
value paradigm



**Growth
Replacement**

Bet on innovation
while keeping an eye
on valuations



**Market
Replacement**

Double exposure to
intangible value
factors



Fund Details

Ticker	ITAN
Primary Exchange	NYSE
Expense Ratio	0.50%
CUSIP	02072L771
Inception Date	6/29/2021
Net Assets	\$30.4 million
# Holdings	158



Intangible Factor Exposure

~200% exposure to intangible factors (vs. S&P 500)

	ITAN	S&P 500
R&D / Price (%)	2.6	1.1
S&M / Price (%)	2.5	0.8
Patents / Price *	2.8	1.0
PhDs / Price *	5.6	2.3
Intellectual Property	0.9	0.4
Human Capital	0.7	0.2
Brand Equity	0.8	0.1
Network Effects	0.4	0.3
Total Intangible Value	2.8	1.1
% Disruptive	79.8	56.5

Source: S&P, USPTO, LinkedIn, Sparkline. All calculations are weighted averages with weights equal to position size. R&D, S&M, and patents are calculated over a trailing 12-month window. The S&P 500® is a popular gauge of large-cap U.S. equities that includes 500 leading companies. Characteristics refer to the underlying stocks and do not predict the performance of the fund.

R&D / Price is research and development expenditures divided by market cap. S&M / Price is sales and marketing expenditures divided by market cap. Patents / Price is the number of patent grants divided by market cap. PhDs / Price is the estimated number of PhD employees divided by market cap. *Patents and PhDs are scaled by billions (e.g., # patents per \$1 billion market cap).

The red metrics are Sparkline's proprietary intangible value scores, which are constructed from the weighted average of metrics such as those shown in blue (after being normalized via Z-Score). Disruptive companies are defined using a proprietary classification based on each firm's exposure to disruptive technologies (e.g., artificial intelligence, cloud computing).



Fund Performance

	YTD	1 Month	3 Months	1 Year	Since Inception
ITAN NAV	34.57%	6.66%	14.67%	34.57%	3.53%
ITAN Market Price	34.55%	6.65%	14.66%	34.55%	3.51%

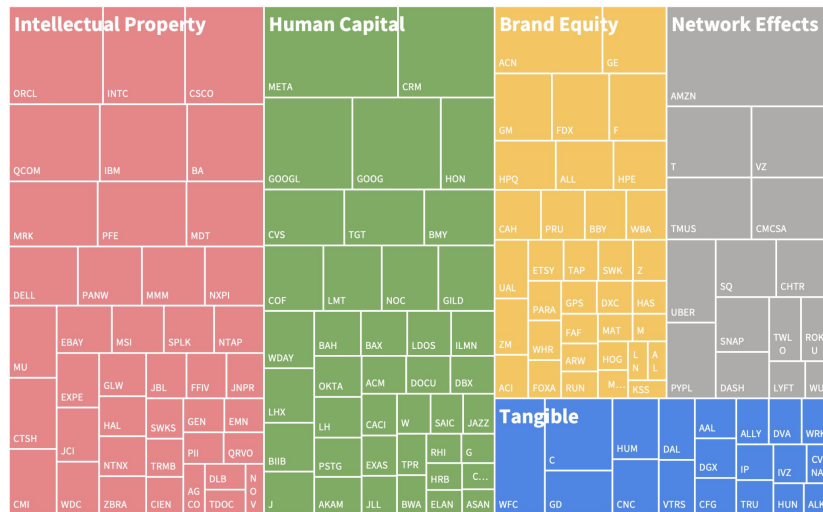
Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so shares may be worth more or less when redeemed or sold. Current performance may be lower or higher than that quoted. Visit etf.sparklinecapital.com/itan for data as of the most recent month end.

Market price returns are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times. NAV is the sum of all assets less any liabilities, divided by the number of shares outstanding. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. YTD stands for "year to date".



Balance Sheet Decomposition

ITAN invests in companies that rely on intangible assets to drive earnings



Stocks are assigned to a single "primary" pillar based on Sparkline's proprietary intangible value scores (i.e., intellectual property, brand equity, human capital, network effects, tangible). Boxes are proportional to position size. Positions are grouped by primary pillar to illustrate the fund's aggregate exposure to each pillar of value.



Fund Objective

ITAN is an actively-managed exchange traded fund (ETF) seeking long-term capital appreciation. The fund invests in U.S.-listed equity securities from the approximately top 1,000 largest stocks by market capitalization. The fund seeks to remain nearly fully invested at all times.



Top 10 Holdings

Company	Ticker	Weight
Amazon	AMZN	3.82%
Meta	META	3.17%
Intel	INTC	2.04%
Salesforce	CRM	2.04%
Oracle	ORCL	2.03%
Alphabet	GOOGL	1.82%
Alphabet	GOOG	1.81%
Cisco	CSCO	1.76%
Qualcomm	QCOM	1.66%
Accenture	ACN	1.65%

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



Important Disclosures

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information is contained in the prospectus, which may be obtained by visiting etf.sparklinecapital.com/itan. Please read the prospectus carefully before investing.

Investments involve risk and principal loss is possible. There can be no assurance that the fund will achieve its investment objective. The fund invests in equity securities, which may fall in value in adverse economic and market conditions. The fund expects to have exposure to the information technology, communications, healthcare, and consumer discretionary sectors, which face unique competitive, technological, demand, and regulatory risks. The fund may invest in mid- and small-cap companies, which may have limited liquidity and greater volatility. The fund is actively managed and its success will depend on the skills of the advisor and subadvisor, which has a limited operating history. The fund utilizes quantitative methods, machine learning and alternative data, which are subject to data quality, model, algorithm, regulatory, and technological risks. The fund employs a value investing strategy, which may fail if stocks do not reach the subadvisor's assessment of fair value. Please see the prospectus for more details of these and other risks.

ETFs may trade at a premium or discount to their net asset value. ETF shares may only be redeemed at NAV by authorized participants in large creation units. There can be no guarantee that an active trading market for shares will exist. The trading of shares may incur brokerage commissions.

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