

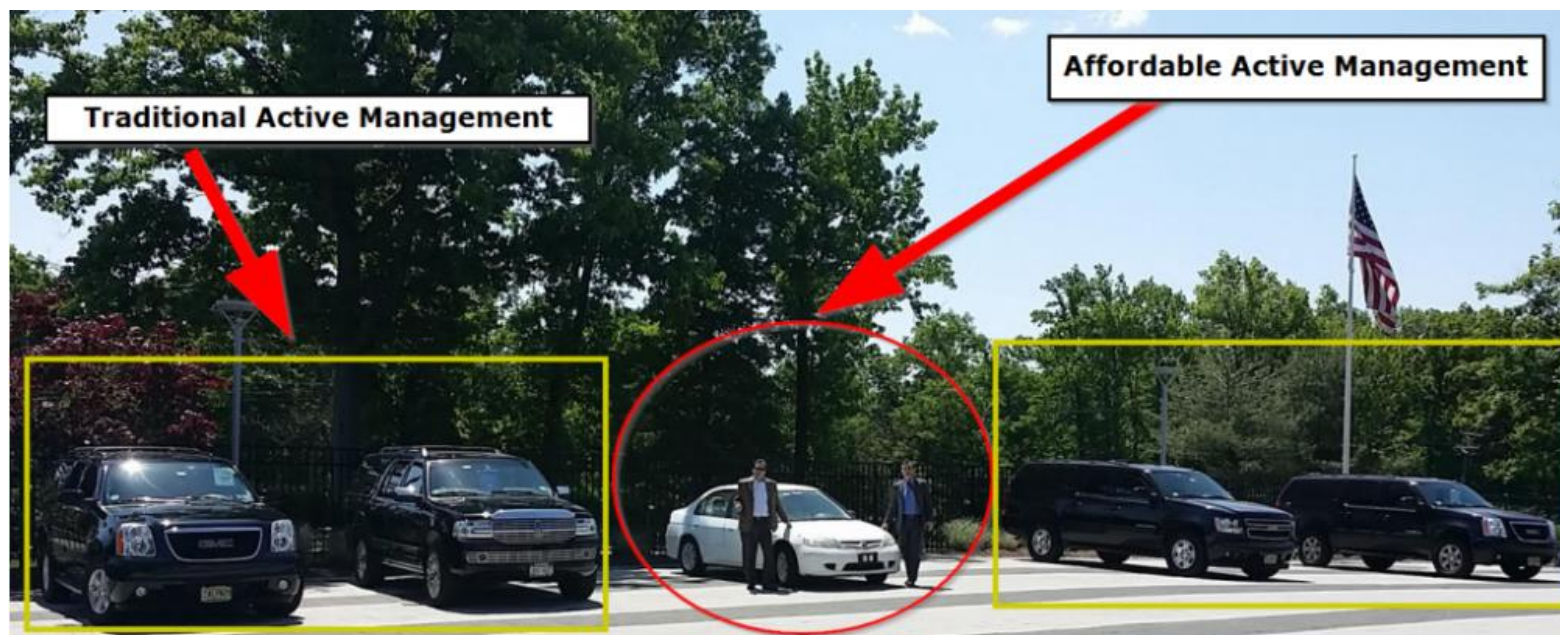


ETF Architect

January 2024

White Label ETF Platform

The ETF “entrepreneur” mindset



**Transparency and low costs drive ETF success.
We are a partner that lives those values.**

Our Purpose

Lower barriers to entry in the ETF market

01 We deliver affordability

We combine the Marine Corps ethos of “doing more with less” with a strong focus on technology to make ETF Architect the natural choice for cost-conscious ETF sponsors. Survival in the fee-compressed asset management industry requires a frugal culture.

02 We offer a turnkey solution

We deliver an end-to-end ETF solution. Trading, compliance, billing, and back-office admin are all done internally and streamlined. Complete accountability and ownership from A to Z. This allows ETF sponsors to focus exclusively on their highest and best use: marketing and intellectual property efforts.

03 We operate with transparency

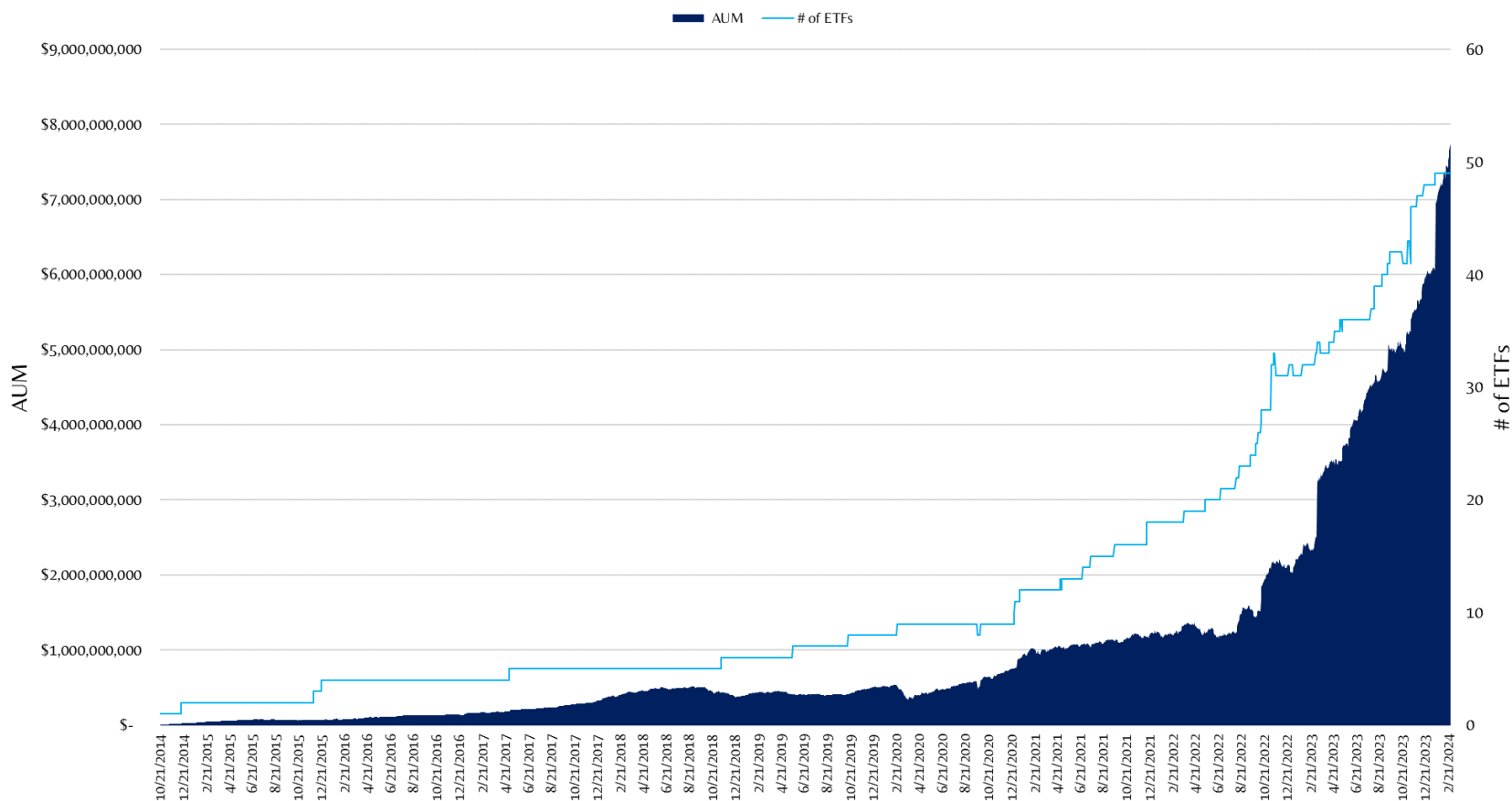
We help clients understand the costs and benefits of our services and how to succeed in the ETF business. We are also direct and will get to the bottom-line ASAP. This transparency sets the tone for the long-term relationships we want to build.

Platform Growth

Our ETF Platform is Growing Rapidly

ETF Architect

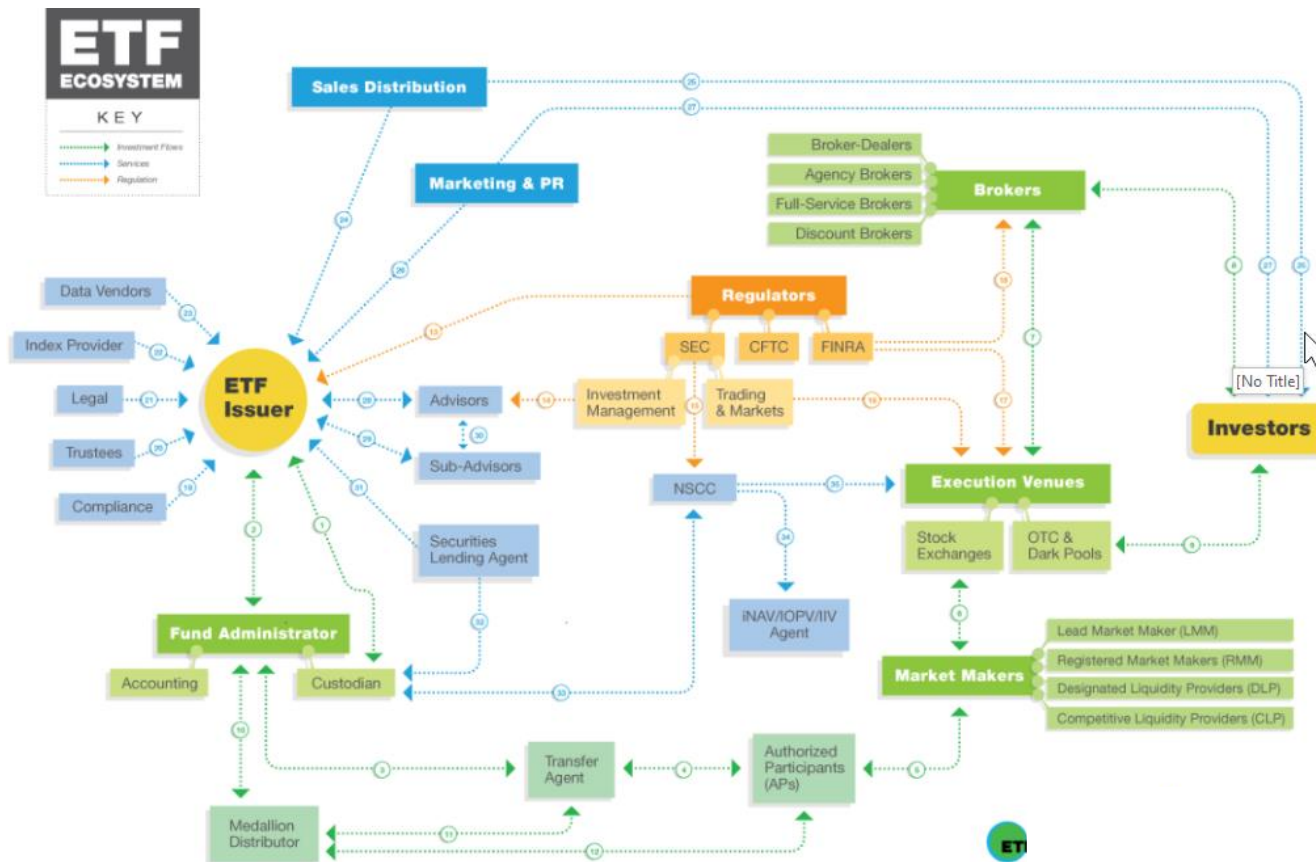
ETF Architect Growth Since Inception (10/22/2014)



Source: ETF Architect, as of 2/28/2024

Question: Why Are We Growing Rapidly?

The ETF ecosystem is complex and opaque...



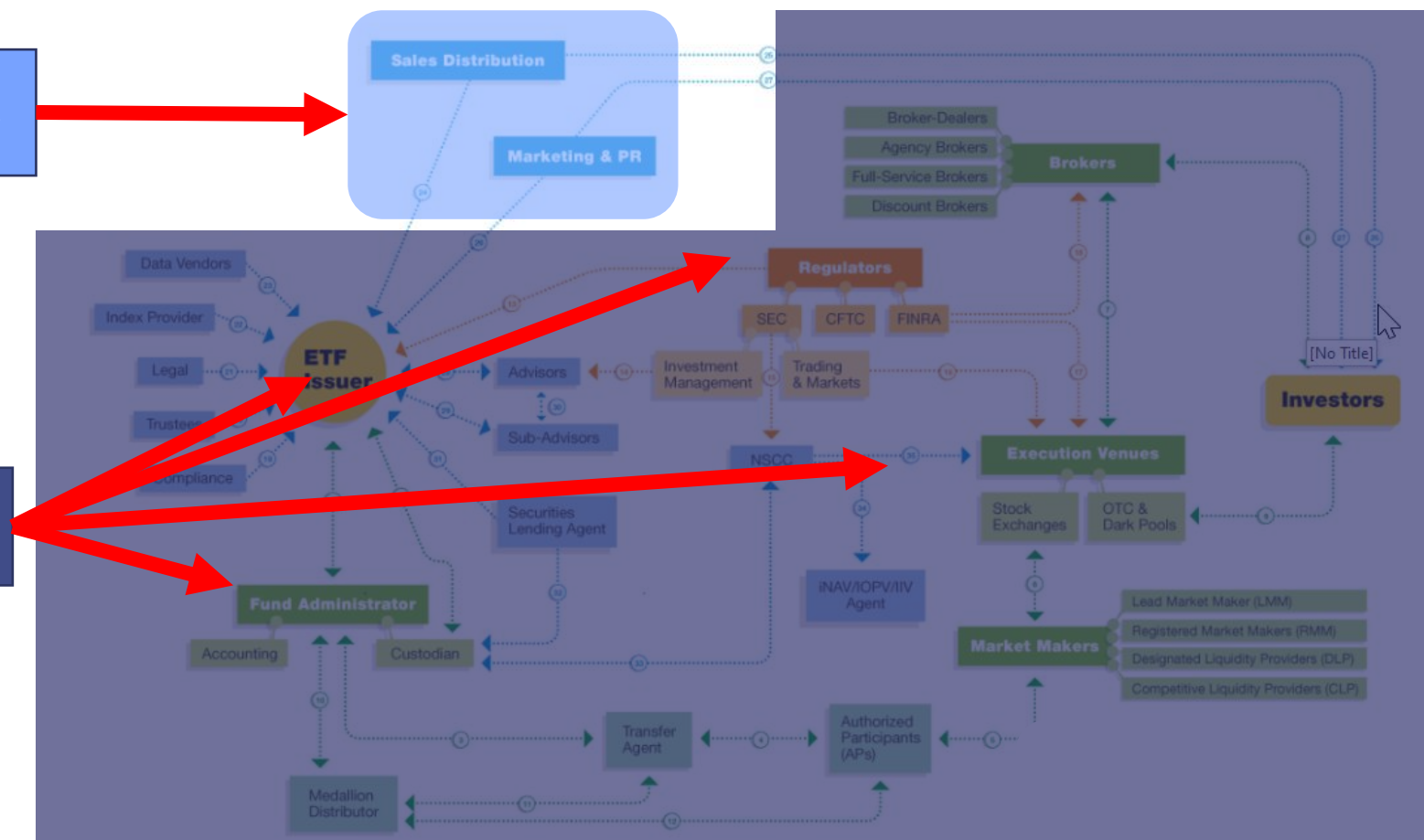
Source: Arro Financial Communications

Answer: Why Are We Growing Rapidly?

We make ETF operations easy and transparent

You do this

We do everything else



OUR SERVICES

Bring your ETF to life with a high caliber team

Pre-Launch



Launch



Management



We cater to **all investment styles**

We can help you launch both passive and active ETFs via our exemptive relief from the SEC under the Investment Company Act of 1940. We also specialize in tax-free conversions and complex transactions.



We seek **qualified, long-term partners**

The clients we partner with need substantial working capital and initial ETF capital to be approved on our platform. We only work with operators that have long-term viability.

FULL-SUITE ETF OPERATIONS SOLUTION

We are a one-stop solution

Pre-Launch

Build a solid foundation for the successful launch of your ETF

- Business planning/modeling
- Index creation / strategy prep
- Registration / prospectus drafting
- Iteration with regulatory agencies
- Data controls
- Vendor management
- Board approval, Trustee engagement
- Tailor-made distribution options

Launch

Take your ETF to market with maximum impact

- Basket creation
- Exchange listing completion
- Marketing coordination
- Capital markets management
- Seed capital deployment
- Index coordination (as required)

Management

Provide ongoing support for an efficient ETF

- Portfolio mgmt. & trading
- Vendor mgmt.
- Printing / filing
- Regulatory disclosures
- Liquidity assessments
- Ongoing marketing
- Invoicing/vendor payments
- Fully dedicated compliance team

An Important Note

We do ops, not marketing and distribution

We believe distribution and marketing should be open architecture

Many white label platforms offer distribution and marketing services as part of their offering. We do not. We focus on operations and tax-free conversions. When it comes to marketing and distribution, we believe in an open architecture approach.

How can we help on distribution? We are very familiar with the various distribution and marketing firms in the marketplace and can consult and guide you to the solution that fits your specific needs.



OUR ADVANTAGE

Why ETF Architect? Affordable & Transparent



Integrity comes standard

We have earned a strong reputation for education and innovation in the ETF space. We are also veteran-owned and lean on military values to guide our actions.



Vertically integrated

We are vertically integrated across legal, compliance, and portfolio management operations, which allows us to deliver a 100% turnkey solution for our clients.



Skin in the game

Our own ETFs sit alongside yours on the platform to align our interests. Platform benefits flow to all platform partners.



Powered by tech

Our platform is focused on leveraging technology to maximize efficiency and minimize human error, which lowers costs.

Appendix #1: Tax-Free ETF Conversions

We specialize in tax-free conversions

- Tax-Free Mutual Fund to ETF Conversions
- Tax-Free Hedge Fund to ETF Conversions
- Tax-Free SMA to ETF Conversions (“351s”)
- Tax-free family office to ETF Conversions
- + other creative ideas

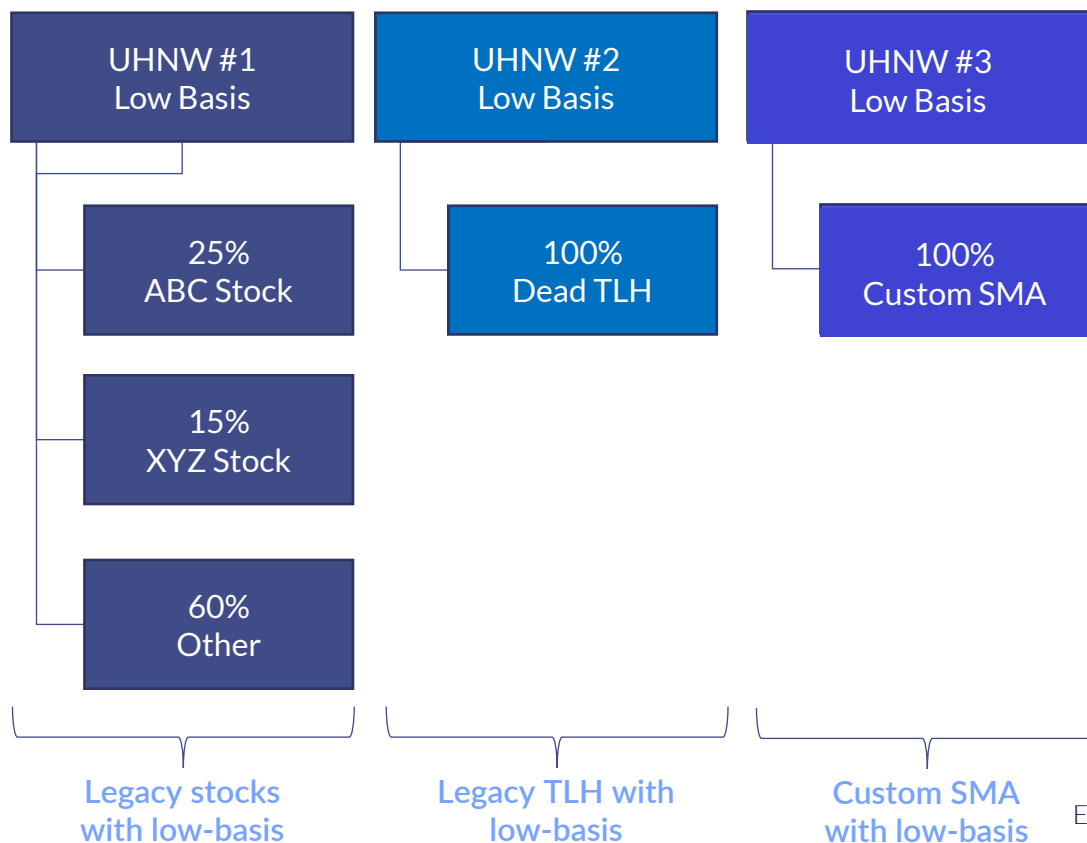
Notable tax-free conversion transactions

- Reorganization of a hedge fund into an ETF for UPHOLDINGS Group, LLC
- Reorganization of a hedge fund into an ETF for Euclidean Technologies Management, LLC
- Reorganization of SMAs into an ETF for Argent Capital Management, Inc.
- Reorganization of SMAs into an ETF for Burney Company, LLC
- Reorganization of SMAs into an ETF for Sepio Capital, L.P.
- Reorganization of SMAs into an ETF for CCM, LLC
- Reorganization of 2 separate MFs into ETFs for Bridgeway Capital Management, LLC
- Reorganization of a MF into an ETF for Arin Risk Advisors, LLC
- + more

SMA to ETF Conversions

The problem: low basis and no flexibility

Client Examples



Problems

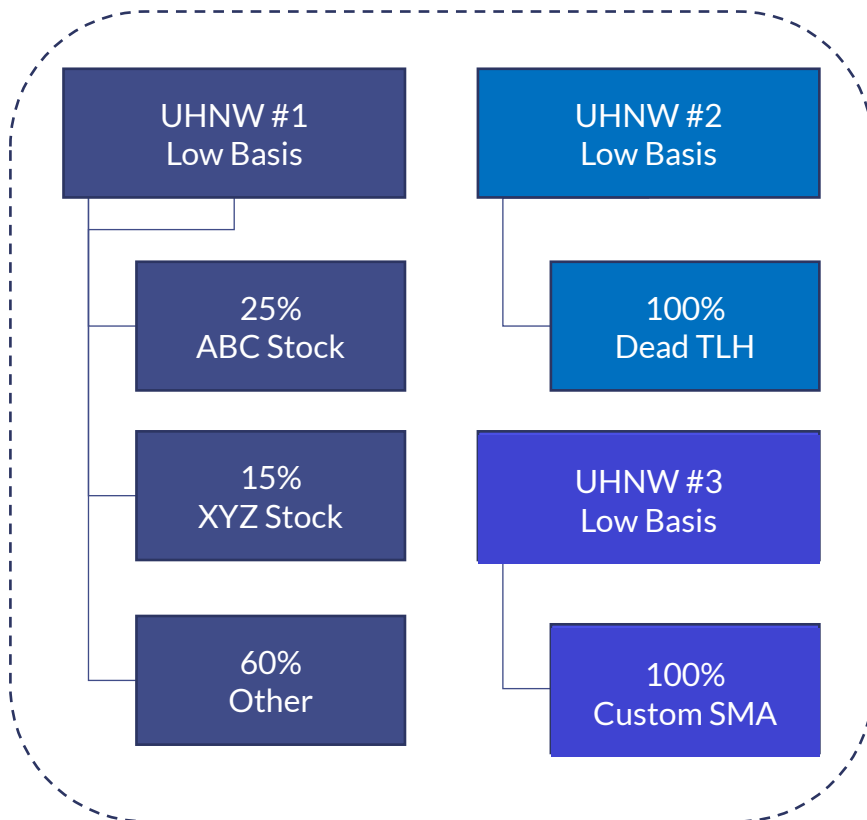
- Limited portfolio flexibility
- Limited control
- Complicated operations
- Legacy fees for little/no effort

Examples above are for illustrative purposes only

SMA to ETF Conversions

Our solution: convert SMAs into an ETF

Problem: No flexibility



Solution: High flexibility



Examples above are for illustrative purposes only

Time to market is approximately 4 months

Hypothetical timeline for an SMA to ETF Conversion

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Tax-free transfer limitations

- Contributed portfolios must be diversified and comply with RIC standards
 - No single position > 25%
 - Not more than 50% of the value can be in $\geq 5\%$ positions
- Control of 80% or more of the shares post transaction
 - You can't do on-going contributions to the ETF
- A well-documented plan
 - A business plan/purpose tied to the transaction
 - Clear investment policies/procedures pre/post conversion

SMA to ETF Conversions

Key considerations

Potential Benefits

- Portfolio flexibility
- Tax-deferral capability
- Tax-deductible advisory fees
- Public market access
- Branding and Marketing
- Free up operational resources

Potential Costs

- ETF Startup and ongoing costs
 - SMA Billing complexity
 - Client communications
 - Treasury and SEC hurdles
 - Increased compliance complexity
 - Managing change/status quo bias
-
- Increased transparency?
 - Client stickiness?

Appendix #2: Our Platform

OUR PLATFORM

Quick Facts

01
We were
established in
2013

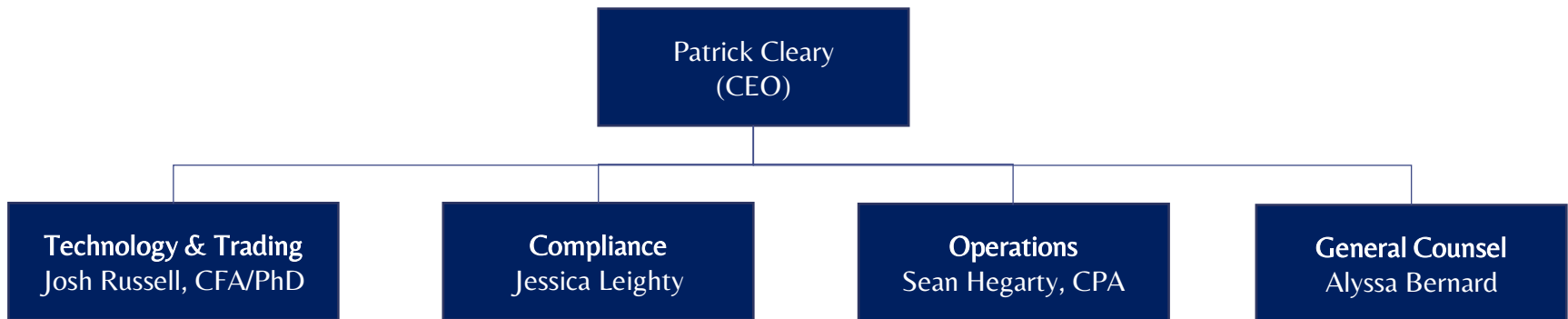
02
We manage over
\$5.6 Billion in ETF
assets on our
platform

03
We manage over
47 ETFs

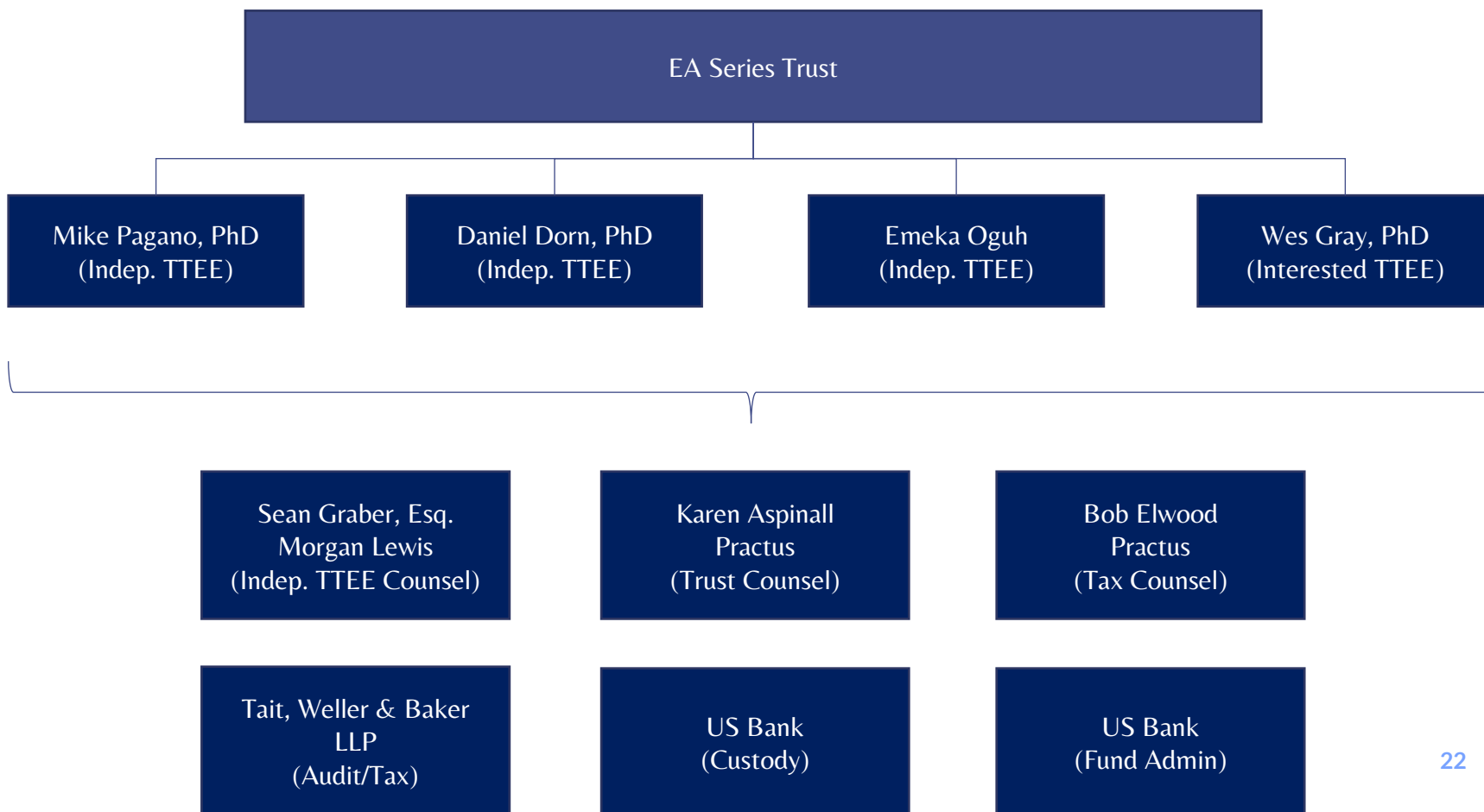
VETERAN OWNED AND OPERATED

Our executive team

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Our Trust structure



Appendix #3: Marketing and Distribution

Key considerations

Generic Recommendation

1. Launch with \$25mm+
 2. Sell close current relationships
 3. Develop the story and marketing materials
 4. Build 1yr of tracks, which establishes credibility as an ETF operator
- #1-#4 are complete? You now have something to sell → consider an investment in marketing and distribution services (see to the right)

Marketing and Distribution Options

- Person to Person Selling
 - E.g., FLX, Focus, Apex, etc.
- General Marketing
 - E.g., Gregory, Arro, VettaFi, Hybrid, etc.
- Digital Marketing
 - E.g., Defiance, Hacktics, etc.
- DIY/Internal
 - E.g., Self, Employees, Contractors

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CONTACT US

Ready for action?

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