



# ARKQ ARK INDUSTRIAL INNOVATION ETF

As of September 30, 2018



## WHY INVEST IN ARKQ?

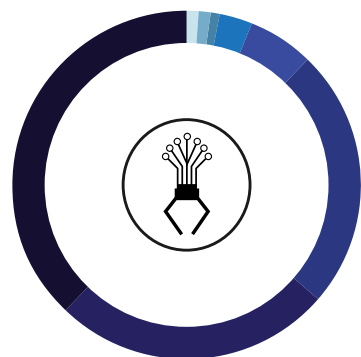
- 1. Exposure to Innovation:** Aims for thematic multi-cap exposure to innovative industrial elements including robotics, autonomous vehicles, energy storage, 3D printing, and space exploration.
- 2. Growth Potential:** Aims to capture long-term alpha\* with low correlation of relative returns to traditional growth strategies and negative correlation to value strategies.
- 3. Tool for Diversification:** Offers a tool for diversification due to little overlap with traditional indices. It can be a complement to traditional value/growth strategies.
- 4. Grounded in Research:** Combines top-down and bottom-up research in its portfolio management to identify innovative companies and convergence across markets.
- 5. Cost Effective:** Provides a lower cost alternative to mutual funds with true active management in an Exchange Traded Fund (ETF) that invests in rapidly moving themes.

BASED ON ARK'S RESEARCH THE MARKET CAPITALIZATION FOR MOBILITY-AS-A-SERVICE<sup>1</sup> (MaaS) COULD BE VALUED AT ROUGHLY \$2 TRILLION TODAY, TWICE THE SIZE OF THE AUTO INDUSTRY.

– Source: ARK Investment Management LLC, 2018 | [1] ARK defines Mobility-as-a-Service (MaaS) as autonomous taxi platforms that should make point-to-point travel and transportation cheaper, more convenient, and safer.

## FUND DESCRIPTION

“The New Industrial Revolution” — Companies within ARKQ are focused on and are expected to substantially benefit from the development of new products or services, technological improvements and advancements in scientific research related to, among other things, energy, automation and manufacturing, materials, and transportation. These companies may develop, produce, or enable:



- 38.6% ● Autonomous Vehicles
- 26.1% ● Robotics
- 24.5% ● 3D Printing
- 6.3% ● Energy Storage
- 2.4% ● Development of Infrastructure
- <1% ● Space Exploration
- <1% ● Alternate Energy Sources
- <1% ● Innovative Materials

Holdings are subject to change.

## FUND DETAILS

Ticker	ARKQ
Type	Active Equity ETF
CUSIP	00214Q 203
Primary Exchange	NYSE ARCA
Inception Date	09/30/2014
Expense Ratio	0.75%
Typical Number of Holdings	30 - 50
Weighted Avg. Market Cap.	\$125 Billion
Median Market Cap.	\$22 Billion
Assets Under Management	184 Million
Advisor	ARK Investment Management LLC
Sales Services	Resolute Investment Distributors, Inc.
Fund Distributor	Forside Fund Services, LLC

## FUND COMPOSITION AND OBJECTIVE

ARKQ is an actively managed Exchange Traded Fund (ETF) that seeks long-term growth of capital. It seeks to achieve this investment objective by investing under normal circumstances primarily (at least 80% of its assets) in domestic and foreign equity securities of companies that are relevant to the Fund's investment theme of industrial innovation. The Fund will be concentrated in issuers in groups of industries in the industrials and information technology sectors, although it will not concentrate in any specific industry.

## SECTOR WEIGHTS

Information Technology	41.1%
Consumer Discretionary	26.0%
Communication Services	14.7%
Industrials	10.5%
Health Care	7.5%
Funds	0.3%

## PORTFOLIO MANAGER

### Catherine D. Wood | Chief Investment Officer

Catherine founded ARK Investment Management in 2014. Previously, she completed twelve years at AllianceBernstein as Chief Investment Officer of Global Thematic Strategies with over \$5 billion in assets under management. Before AllianceBernstein, she worked for eighteen years with Jennison Associates as Chief Economist, Equity Research Analyst, Portfolio Manager, and Director. Catherine started her career in Los Angeles at the Capital Group as an Assistant Economist.

## MARKET CAPITALIZATION

Mega	18.2%
Large	47.2%
Medium	13.6%
Small	17.5%
Micro	2.7%

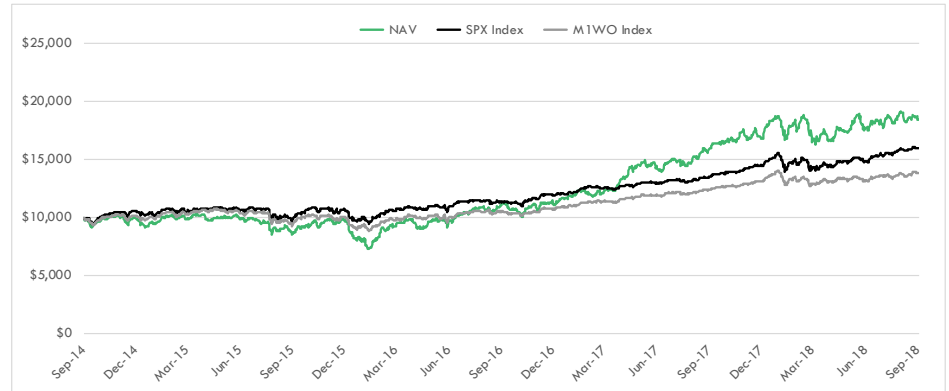
## TOP 10 HOLDINGS

SECURITY NAME	WEIGHT
1 STRATASYS LTD	10.1%
2 TESLA INC	9.7%
3 BAIDU INC - SPON ADR	8.0%
4 NVIDIA CORP	4.4%
5 APTIV PLC	4.1%
6 JD.COM INC-ADR	3.9%
7 MATERIALISE NV-ADR	3.8%
8 TERADYNE INC	3.7%
9 ALPHABET INC-CL C	3.5%
10 AMAZON.COM INC	3.3%
	54.5%

Holdings are subject to change.

For current portfolio holdings please download "Fund Holdings" as a CSV or PDF at [ark-funds.com](http://ark-funds.com). Portfolio holdings should not be considered as investment advice or a recommendation to buy, sell or hold any particular security.

## GROWTH OF 10,000 USD SINCE INCEPTION



## FUND PERFORMANCE

For periods ended September 30, 2018

TOTAL RETURNS	3 Months	YTD	1 Year	3 Years (annualized)	Since Inception (annualized)
ARKQ   NAV	4.26%	9.72%	15.30%	28.47%	16.58%
ARKQ   Market Price	3.92%	9.35%	14.91%	28.64%	16.56%
S&P 500 Index (SPX)	7.71%	10.56%	17.91%	17.31%	12.46%
MSCI World Index (M1WO)	4.98%	5.43%	11.24%	13.54%	8.51%

For the Fund's most recent month end performance, please visit [www.ark-funds.com](http://www.ark-funds.com) or call 1-800-679-7759

**Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investor's shares when redeemed may be worth more or less than the original cost.** Returns for less than one year are not annualized. Net asset value ("NAV") returns are based on the dollar value of a single share of the ETF, calculated using the value of the underlying assets of the ETF minus its liabilities, divided by the number of shares outstanding. The NAV is typically calculated at 4:00 pm Eastern time on each business day the New York Stock Exchange is open for trading. Market returns are based on the trade price at which shares are bought and sold on the NYSE Arca, Inc. using the last share trade. Market performance does not represent the returns you would receive if you traded shares at other times. Total Return reflects reinvestment of distributions on ex-date for NAV returns and payment date for Market Price returns. The market price of the ETF's shares may differ significantly from their NAV during periods of market volatility.

The line graph represents the cumulative performance of a hypothetical \$10,000 investment in ARKQ. The returns are net of the ETF's expenses but do not reflect the payment of any brokerage commissions or brokerage costs incurred as a result of buying or selling ARKQ shares or trading ARKQ shares on an exchange and do not reflect the deduction of taxes to which an investor would be subject as a result of owning or selling shares of ARKQ. If they did, the returns would be lower than those shown.

**Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting [www.ark-funds.com](http://www.ark-funds.com). Please read the prospectus carefully before you invest.** The principal risks of investing in ARKQ: **Equity Securities Risk.** The value of the equity securities the Fund holds may fall due to general market and economic conditions. **Foreign Securities Risk.** Investments in the securities of foreign issuers involve risks beyond those associated with investments in U.S. securities. **Industrials Sector Risk.** Companies in the industrials sector may be adversely affected by changes in government regulation, world events, economic conditions, environmental damages, product liability claims and exchange rates. **Information Technology Sector Risk.** Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. **Cryptocurrency Risk.** Cryptocurrency (notably, bitcoin), often referred to as "virtual currency" or "digital currency," operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. The Fund may have exposure to bitcoin, a cryptocurrency, indirectly through an investment in the Bitcoin Investment Trust ("GBTC"), a privately offered, open-end investment vehicle. Cryptocurrency operates without central authority or banks and is not backed by any government. Even indirectly, cryptocurrencies may experience very high volatility and related investment vehicles like GBTC may be affected by such volatility. As a result of holding cryptocurrency, the Fund may also trade at a significant premium to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Detailed information regarding the specific risks of ARKQ ETF can be found in the prospectus. Additional risks of investing in ARKQ include equity, market, management and non-diversification risks, as well as fluctuations in market value and NAV. An investment in an ETF is subject to risks and you can lose money on your investment in an ETF. There can be no assurance that the ETF will achieve its investment objective. The ETF's portfolio is more volatile than broad market averages. Shares of ARKQ are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. ETF shares may only be redeemed directly with the ETF at NAV by Authorized Participants, in very large creation units. There can be no guarantee that an active trading market for ETF shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling ETF shares on an exchange may require the payment of brokerage commissions and frequent trading may incur brokerage costs that detract significantly from investment returns.

The Fund's exposure to cryptocurrency may change over time and, accordingly, such exposure may not always be represented in the Fund's portfolio. Many significant aspects of the U.S. federal income tax treatment of investments in bitcoin are uncertain and an investment in bitcoin may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies, such as the Fund. GBTC is expected to be treated as a grantor trust for U.S. federal income tax purposes, and therefore an investment by the Fund in GBTC will generally be treated as a direct investment in bitcoin for such purposes. See "Taxes" in the Fund's SAI for more information.

**Index Descriptions:** The S&P 500® Index is a widely recognized capitalization-weighted index that measures the performance of the large-capitalization sector of the U.S. stock market. The MSCI World Index represents large and mid-cap equity performance across 23 developed markets countries. Returns shown for the MSCI World Index are net of foreign withholding taxes applicable to U.S. investors. Securities in the ETF's portfolio will not match those in any index. The ETF is benchmark agnostic and corresponding portfolios may have significant non-correlation to any index. Index returns are generally provided as an overall market indicator. You cannot invest directly in an index. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index's returns. Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction.

\*Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. Beta is the current measure of a portfolio's risk in relation to the market or a benchmark.

Foreside Fund Services LLC, distributor.

NOT FDIC INSURED — NO BANK GUARANTEE — MAY LOSE VALUE

For information regarding ARK's ETFs, please contact our sales partner, Resolute Investment Distributors: 1-800-679-7759

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