

## ARK ETF TRUST

### ARK Next Generation Internet ETF (ARKW)

Supplement dated January 11, 2024 to the Prospectus, Summary Prospectus and Statement of Additional Information for the ARK ETF Trust dated November 30, 2023, as supplemented.

This Supplement updates certain information contained in the Prospectus, Summary Prospectus and Statement of Additional Information with respect to the following series of the ARK ETF Trust: ARK Next Generation Internet ETF (the “Fund”). Copies of the Fund’s Summary Prospectus, Prospectus and Statement of Additional Information may be obtained without charge at <http://ark-funds.com/investor-resources>, by writing to the Trust or the Trust’s distributor, Foreside Fund Services, LLC (the “Distributor”), or by calling 855-406-1506.

Effective immediately, the Prospectus, Summary Prospectus and Statement of Additional Information are revised as follows:

- The Annual Fund Operating Expenses table in the “Fund Fees and Expenses” Section of the Summary Prospectus and the “Summary Information - ARK Next Generation Internet ETF - Fund Fees and Expenses” section of the Prospectus is hereby deleted and replaced with the following:

<b>Shareholder Fees</b> (fees paid directly from your investment)	None
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)	
Management Fee <sup>(a)</sup>	0.75%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses <sup>(b)</sup>	0.00%
Acquired Fund Fees and Expenses <sup>(c)</sup>	0.12%
<b>Total Annual Fund Operating Expenses<sup>(c)</sup></b>	<b>0.87%</b>

- (a) “Management Fee” includes the advisory fee of a wholly-owned subsidiary of the Fund organized as an exempted company under the laws of the Cayman Islands (the “Subsidiary”). The Fund’s “Adviser,” ARK Investment Management LLC (the “Adviser”), has agreed to waive or credit a portion of the advisory fee in an amount equal to any net fees received by the Adviser with respect to other investments in which the Subsidiary invests.
- (b) Pursuant to a Supervision Agreement, the Adviser pays all other expenses of the Fund (other than acquired fund fees and expenses, taxes and governmental fees, brokerage fees, commissions and other transaction expenses, certain foreign custodial fees and expenses, costs of borrowing money, including interest expenses, and extraordinary expenses (such as litigation and indemnification expenses)).
- (c) The Total Annual Fund Operating Expenses may not correlate to the ratio of expenses to average net assets as reported in the “Financial Highlights” section of the Prospectus, which reflects the operating expenses of the Fund and does not include Acquired Fund Fees and Expenses. Acquired Fund Fees and Expenses represent the Fund’s pro rata share of fees and expenses incurred indirectly as a result of investing in other funds, including ETFs and money market funds.

- The following is added after the third paragraph of the “Principal Investment Strategies” Section of the Summary Prospectus and the “Summary Information - ARK Next Generation Internet ETF - Principal Investment Strategies” section of the Prospectus:

The Fund gains exposure to cryptocurrency through investments in the ARK Next Generation Internet (Cayman) Fund, a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the “Subsidiary”). In order to comply with certain issuer diversification limits imposed by the Internal Revenue Code, the Fund may invest up to 25% of its total assets in the Subsidiary. The Subsidiary is advised by the Adviser, and has the same investment objective as the Fund. The Subsidiary may invest in pooled investment vehicles and exchange-traded products that invest in cryptocurrencies. Investments in the Subsidiary are intended to provide the Fund with exposure to cryptocurrency while meeting the federal tax requirements that apply to regulated investment companies, like the Fund.

- The following is added to the “Principal Risks” section of the Summary Prospectus and the “Summary Information - ARK Next Generation Internet ETF - Principal Risks” section of the Prospectus:

*Subsidiary Risk.* By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary’s investments. The Subsidiary is not registered under the 1940 Act and may not be subject to all the investor protections of the 1940 Act. There is no guarantee that the investment objective of the Subsidiary will be achieved.

*Tax Risk.* The Fund may seek to gain exposure to cryptocurrency through investments in the Subsidiary. Treasury regulations generally treat the Fund’s income inclusion with respect to the Subsidiary as qualifying income either if (A) there is a current distribution out of the earnings and profits of the Subsidiary that are attributable to such income inclusion or (B) such inclusion is derived with respect to the Fund’s business of investing in stock, securities, or currencies. The Fund intends to treat its income from the Subsidiary as qualifying income. No assurances can be provided that the IRS would not be able to successfully assert that the Fund’s income from the Fund’s investments in the Subsidiary was not “qualifying income,” in which case the Fund would fail to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code if over 10% of its gross income was derived from these investments. If the Fund failed to qualify as a regulated investment company, it would be subject to federal and state income tax on all of its taxable income at regular corporate tax rates with no deduction for any distributions paid to shareholders, which would significantly adversely affect the returns to, and could cause substantial losses for, fund shareholders. The Cayman Islands does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on the Subsidiary. If Cayman Islands law changes such that the Subsidiary must pay Cayman Islands taxes, Fund shareholders would likely suffer decreased investment returns. Please see the section entitled “Federal Income Tax Treatment of Investments in the Subsidiary” below and the section entitled “Taxes” in the Statement of Additional Information for more information.

- The following is added to the “Principal Risks” section of the Prospectus:

*Subsidiary Risk (ARKW).* By investing in the Subsidiary, the ARKW is indirectly exposed to the risks associated with the Subsidiary’s investments. The investments held by the Subsidiary are generally similar to those that are permitted to be held by ARKW and are subject to the same risks that apply to similar investments if held directly by ARKW. These risks are described elsewhere in this prospectus. There can be no assurance that the investment objective of ARKW or the Subsidiary will be achieved. The Subsidiary is not registered under the 1940 Act, and, unless otherwise noted in this prospectus, is not subject to all the investor protections of the 1940 Act. In addition, changes in the laws of the United States and/or the Cayman Islands could result in the inability of ARKW and/or the Subsidiary to operate as described in this prospectus and the SAI and could adversely affect ARKW. Changes in the laws of the United States and/or the Cayman Islands could adversely affect the performance of ARKW and/or the Subsidiary.

*Tax Risk (ARKW).* ARKW may seek to gain exposure to cryptocurrency through investments in the Subsidiary. Treasury regulations generally treat ARKW’s income inclusion with respect to the Subsidiary as qualifying income either if (A) there is a current distribution out of the earnings and profits of the Subsidiary that are attributable to such income inclusion or (B) such inclusion is derived with respect to ARKW’s business of investing in stock, securities, or currencies. The tax treatment of ARKW’s investments in the Subsidiary may be adversely affected by future legislation, court decisions, Treasury Regulations and/or guidance issued by the IRS that could affect whether income derived from such investments is “qualifying income” under Subchapter M of the Internal Revenue Code, or otherwise affect the character, timing and/or amount of ARKW’s taxable income or any gains and distributions made by ARKW. No assurances can be provided that the IRS would not be able to successfully assert that ARKW’s income from investments in the Subsidiary was not “qualifying income,” in which case ARKW would fail to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code if over 10% of its gross income was derived from these investments. If ARKW failed to qualify as a regulated investment company, it would be subject to federal and state income tax on all of its taxable income at regular corporate tax rates with no deduction for any distributions paid to shareholders, which would significantly adversely affect the returns to, and could cause substantial losses for, fund shareholders. The Cayman Islands does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on the Subsidiary. If Cayman Islands law changes such that the Subsidiary must pay Cayman Islands taxes, Fund shareholders would likely suffer decreased investment returns. Please see the section entitled “Federal Income Tax Treatment of Investments in the Subsidiary” and the section entitled “Taxes” in the Statement of Additional Information for more information.

- The following is added to the end of the “Management of the Funds - Investment Adviser” section of the Prospectus:

For purposes of calculating the fees for ARKW, the net assets of ARKW include the value of ARKW’s interest in the Subsidiary. Pursuant to an advisory agreement between the Adviser and the Subsidiary (the “Subsidiary Investment Advisory Agreement”), the Adviser will not receive any fees for managing the Subsidiary’s assets.

The Adviser provides investment advisory services to the Subsidiary pursuant to the Subsidiary Investment Advisory Agreement. Under the Subsidiary Investment Advisory Agreement, the Adviser provides the Subsidiary with the same type of investment advisory services as are provided to ARKW. Pursuant to an agreement by and between the Adviser and 21Shares US LLC on behalf of the ARK 21Shares Bitcoin ETF (“ARKB”), the Adviser will receive a fee for its services as sub-adviser of ARKB and for providing assistance in the marketing of ARKB’s shares.

The Trust and the Subsidiary have entered into contracts for the provision of custody and audit services with service providers.

The Subsidiary is managed pursuant to compliance policies and procedures that are the same, in all material respects, as the policies and procedures adopted by the Company. As a result, the Adviser, in managing the Subsidiary’s portfolio, is subject to the same investment policies and restrictions that apply to the management of ARKW (although the Subsidiary may invest without limitation in commodity-related instruments) and, in particular, to the requirements relating to portfolio leverage, liquidity, brokerage and the timing and method of valuation of the Subsidiary’s portfolio investments and shares of the Subsidiary. Certain of these policies and restrictions are described in detail in the SAI.

- The following is added as the last paragraph of the “Investment Policies and Risks” section of the Statement of Additional Information:

#### **Investments in the Wholly-Owned Subsidiary (ARKW)**

Investments in the ARK Next Generation Internet (Cayman) Fund, a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the “Subsidiary”) are expected to provide ARKW with exposure to cryptocurrency markets within the limitations of Subchapter M of the Internal Revenue Code and IRS revenue rulings, as discussed below under “Federal Income Tax Treatment of Investments in the Subsidiary” and “Taxes.” The Subsidiary is an exempted company organized under the laws of the Cayman Islands, and is overseen by its own board of directors. The ARK Next Generation Internet ETF is the sole shareholder of the Subsidiary, and it is not currently expected that shares of the Subsidiary will be sold or offered to other investors.

The Subsidiary may invest in pooled investment vehicles and exchange-traded products that invest in cryptocurrencies. To the extent that ARKW invests in the Subsidiary, the Fund may be subject to the risks associated with those cryptocurrency related investments and other securities, which are discussed elsewhere in the applicable Prospectus and this Statement of Additional Information.

While the Subsidiary may be considered similar to an investment company, it is not registered under the 1940 Act and, unless otherwise noted in the applicable Prospectus and this Statement of Additional Information, is not subject to all of the investor protections of the 1940 Act and other U.S. regulations. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of ARKW and/or the Subsidiary to operate as described in the applicable Prospectus and this Statement of Additional Information and could negatively affect the Fund and its shareholders.

The Fund’s investment in the Subsidiary will generally not exceed 25% of the value of the Fund’s total assets at each quarter-end of the Fund’s fiscal year. Exceeding this amount may have tax consequences, as discussed below under “Federal Income Tax Treatment of Investments in the Subsidiary” and “Taxes.”

Changes in the laws of the United States (where the Fund is organized) and/or the Cayman Islands (where the Subsidiary is incorporated) could prevent the Fund and/or the Subsidiary from operating as described in the Prospectus and this SAI and could negatively affect the Fund and its shareholders. For example, the Cayman Islands currently does not impose certain taxes on the Subsidiary, including income and capital gains tax, among others. If Cayman Islands laws were changed to require the Subsidiary to pay Cayman Islands taxes, the investment returns of the Fund would likely decrease.

#### **Federal Income Tax Treatment of Investments in the Subsidiary (ARKW)**

The Fund must derive at least 90% of its gross income from certain qualifying sources of income in order to qualify as a regulated investment company ("RIC") under the Internal Revenue Code. The Fund's use of cryptocurrency can be limited by the Fund's intention to qualify as a RIC and can bear on the Fund's ability to so qualify. Income and gains from cryptocurrency and cryptocurrency-linked derivatives may not constitute qualifying income to a RIC for purposes of the 90% gross income test described above. It is possible that cryptocurrency is treated as a "commodity" for U.S. federal income tax purposes. The Internal Revenue Service ("IRS") issued a revenue ruling in December 2005 which concluded that income and gains from certain commodity-linked derivatives is not qualifying income under Subchapter M of the Internal Revenue Code. As a result, the Fund's ability to invest directly in commodity-linked futures contracts or swaps or in certain exchange traded trusts that hold commodities as part of its investment strategy is limited by the requirement that it receive no more than ten percent (10%) of its gross income from such investments. In the past, the IRS issued private letter rulings to other taxpayers in which the IRS specifically concluded that that income derived from a fund's investment in a controlled foreign corporation ("CFC") also will constitute qualifying income to the fund, even if the CFC itself owns commodity-linked futures contracts or swaps. A private letter ruling cannot be used or cited as precedent and is binding on the IRS only for the taxpayer that receives it. The Fund has not obtained a ruling from the IRS with respect to its investments in the Subsidiary or the Subsidiary's structure. The IRS is no longer issuing private letter rulings relating to the tax treatment of income generated by investments in a subsidiary. The IRS has issued regulations that generally treat a fund's income inclusion with respect to an investment in a non-U.S. company generating investment income as qualifying income if there is a current-year distribution out of the earnings and profits of the non-U.S. company that are attributable to such income inclusion or if the income inclusion is derived with respect to the fund's business of investing in stocks and securities. The Fund intends to treat its income from the Subsidiary as qualifying income without any such private letter ruling from the IRS. There can be no assurance that the IRS will not change its position with respect to some or all of these issues or if the IRS did so that a court would not sustain the IRS's position. Furthermore, the tax treatment of the Fund's investments in the Subsidiary may be adversely affected by future legislation, court decisions, future IRS guidance or Treasury regulations. If the IRS were to change its position or otherwise determine that income derived from the Fund's investment in the Subsidiary does not constitute qualifying income and if such positions were upheld, or if future legislation, court decisions, future IRS guidance or Treasury regulations were to adversely affect the tax treatment of such investments, the Fund might cease to qualify as a RIC and would be required to reduce its exposure to such investments which could result in difficulty in implementing its investment strategy. If the Fund did not qualify as a RIC for any taxable year, the Fund's taxable income would be subject to tax at the Fund level at regular corporate tax rates (without reduction for distributions to shareholders) and to a further tax at the shareholder level when such income is distributed. In such event, in order to re-qualify for taxation as a RIC, the Fund may be required to recognize unrealized gains, pay substantial taxes and interest and make certain distributions.

#### **Risks Associated with the Tax Treatment of Cryptocurrency (ARKW)**

Under current IRS guidance, cryptocurrency is treated as property, not as currency, for U.S. federal income tax purposes and transactions involving payment in cryptocurrency in return for goods and services are treated as barter exchanges. Such exchanges result in capital gain or loss measured by the difference between the price at which cryptocurrency is exchanged and the taxpayer's basis in the cryptocurrency. Additionally, the IRS has taken the position that mining rewards are taxable generally upon receipt. However, because cryptocurrency is a new technological innovation, because IRS guidance has taken the form of administrative pronouncements that may be modified without prior notice and comment, and because there is as yet little case law on the subject, the U.S. federal income tax treatment of an investment in cryptocurrency or in transactions relating to investments in cryptocurrency may change from that described in this prospectus, possibly with retroactive effect. Any such change in the U.S. federal income tax treatment of cryptocurrency may have a negative effect on prices of cryptocurrency and may adversely affect the value of the Shares. In this regard, the IRS has indicated that it has made it a priority to issue additional guidance related to the taxation of virtual currency transactions, such as transactions involving bitcoin. While it has started to issue such additional guidance, whether any future guidance will adversely affect the U.S. federal income tax treatment of an investment in cryptocurrency or in transactions relating to investments in cryptocurrency is unknown. Moreover, future developments that may arise with respect to digital assets may increase the uncertainty with respect to the treatment of digital assets for U.S. federal income tax purposes. Recent tax legislation amends U.S. federal reporting requirements with respect to digital assets.

Because cryptocurrency is a new technological innovation, the tax treatment of cryptocurrency for state and local tax purposes, including without limitation state and local income and sales and use taxes, is not settled. It is uncertain what guidance, if any, on the treatment of cryptocurrency for state and local tax purposes may be issued in the future. A state or local government authority's treatment of cryptocurrency may have negative consequences, including the imposition of a greater tax burden on investors in cryptocurrency or the imposition of a greater cost on the acquisition and disposition of cryptocurrency generally. Moreover, it cannot be ruled out that the tax treatment by tax authorities and courts could be interpreted differently or could be subject to changes in the future. Any such treatment may have a negative effect on prices of cryptocurrency and may adversely affect the value of the Shares.

- The following is added as the second paragraph of the "Management" section of the Statement of Additional Information:

ARKW may gain exposure to bitcoin and other cryptocurrency related investments by investing up to 25% of its total assets in a wholly-owned subsidiary of the Fund organized as a company under the laws of the Cayman Islands. The Subsidiary has entered into a separate contract with the Adviser whereby the Adviser provides investment advisory and other services to that Subsidiary. The Adviser will not receive any fees for managing the Subsidiary's assets. Pursuant to an agreement by and between the Adviser and ARK ETF Trust (the "Trust") on behalf of ARKW, the Adviser will receive a fee for its services as Adviser to ARKW.

The Fund has entered into contracts for the provision of custody and audit services with service providers. The Subsidiary is managed pursuant to compliance policies and procedures that are the same, in all material respects, as the policies and procedures adopted by ARKW. As a result, the Adviser, in managing the Subsidiary's portfolio, is subject to the same investment policies and restrictions that apply to the management of ARKW and, in particular, to the requirements relating to portfolio leverage, liquidity, brokerage and the timing and method of valuation of the Subsidiary's portfolio investments and shares of the Subsidiary.

- The following is added as the twenty-seventh paragraph of the "Taxes" section of the Statement of Additional Information:

ARKW's investments in bitcoin, Ether or other cryptocurrency can be limited by the Fund's intention to qualify as a RIC and can bear on the Fund's ability to so qualify. Income and gains from cryptocurrency and cryptocurrency-linked derivatives may not constitute qualifying income to a RIC for purposes of the 90% gross income test described above. If the Fund were to treat income or gain from a particular instrument as qualifying income and the income or gain were later determined not to constitute qualifying income and, together with any other nonqualifying income, caused the Fund's nonqualifying income to exceed 10% of its gross income in any taxable year, the Fund would fail to qualify as a RIC unless it is eligible to and does pay a tax at the Fund level.

If ARKW invests in bitcoin or Ether through a pooled investment vehicle there may be certain circumstances in which the Fund may recognize and be required to distribute income without a corresponding receipt of cash (for example in the event of changes to the underlying code of bitcoin, which may result in the creation of new, separate digital assets, commonly called a "fork", or upon the receipt of mining rewards). Such distributions may be made from the cash assets of the Fund or by liquidation of portfolio securities, if necessary (including when it is not advantageous to do so). The Fund may realize gains or losses from such liquidations. In the event the Fund realizes net capital gains from such transactions, its shareholders may receive a larger capital gain distribution than they would in the absence of such transactions.

ARKW intends to invest a portion of its assets in the Subsidiary, which will be classified as a corporation for U.S. federal income tax purposes. For U.S. federal income tax purposes, the Subsidiary will be treated as a CFC and the Fund will be treated as a "U.S. shareholder" of the Subsidiary. As a result, the Fund will be required to include in gross income for U.S. federal income tax purposes all of the Subsidiary's "subpart F income," whether or not such income is distributed to the Fund (deemed inclusions). The Subsidiary's "subpart F income" may include gains recognized in respect of in kind distributions made by the Subsidiary to the Fund. Treasury Regulations permit the Fund to treat deemed inclusions as satisfying the Income Requirement under Subchapter M of the Internal Revenue Code if there is a current-year distribution out of the earnings and profits of the Subsidiary that are attributable to such deemed inclusion, or if the Fund's deemed inclusion is derived with respect to the Fund's business of investing in stocks or securities. It is expected that all of the Subsidiary's income will be "subpart F income." The Fund's recognition of the Subsidiary's "subpart F income" will increase the Fund's tax basis in the Subsidiary. Distributions by the Subsidiary to the Fund will be tax-free, to the extent of its previously undistributed "subpart F income," and will correspondingly reduce the Fund's tax basis in the Subsidiary. "Subpart F income" is generally treated as ordinary income, regardless of the character of the Subsidiary's underlying income. If a net loss is realized by the Subsidiary, such loss is not generally available to offset the income earned by the Fund and such loss may not be carried forward to offset profit, if any, realized by the Subsidiary in future years.

A foreign corporation, such as the Subsidiary, will generally not be subject to U.S. federal income taxation unless it is deemed to be engaged in a U.S. trade or business. It is expected that the Subsidiary will conduct its activities in a manner so as to meet the requirements of a safe harbor under Section 864(b)(2) of the Internal Revenue Code under which the Subsidiary may engage in trading in stocks or securities or certain commodities under certain circumstances without being deemed to be engaged in a U.S. trade or business. However, if certain of the Subsidiary's activities were deemed not to be of the type described in the safe harbor, then the activities of the Subsidiary may constitute a U.S. trade or business, or be taxed as such.

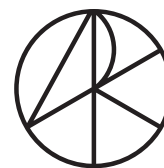
In general, foreign corporations, such as the Subsidiary, that do not conduct a U.S. trade or business are nonetheless subject to tax at a flat rate of 30 percent (or lower tax treaty rate), generally payable through withholding, on the gross amount of certain U.S.-source income that is not effectively connected with a U.S. trade or business. There is presently no tax treaty in force between the U.S. and the Cayman Islands, where the Subsidiary is a resident for U.S. federal income tax purposes, that would reduce this rate of withholding tax. It is not expected that the Subsidiary will derive income subject to such withholding tax.

**Please retain this supplement for future reference.**

November 30, 2023

# ARK Next Generation Internet ETF

NYSE Arca, Inc: ARKW



## Summary Prospectus

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Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund (including the Fund's statement of additional information and annual report) online at <http://ark-funds.com/investor-resources>. You can also get this information at no cost by calling 855-406-1506 or by sending an e-mail request to [info@ark-invest.com](mailto:info@ark-invest.com). The Fund's prospectus and statement of additional information, each dated November 30, 2023, as amended and supplemented from time to time, are incorporated by reference into (legally made a part of) this Summary Prospectus.

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## Investment Objective

The ARK Next Generation Internet ETF's ("Fund") investment objective is long-term growth of capital.

## Fund Fees and Expenses

The table below describes the fees and expenses that you pay if you buy, hold and sell shares of the Fund ("Shares"). Investors may pay other fees, such as brokerage commissions and other fees to financial intermediaries on their purchases and sales of Shares, which are not reflected in the tables and examples below.

<b>Shareholder Fees</b> (fees paid directly from your investment) . . . . .	None
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)	
Management Fee . . . . .	0.75%
Distribution and/or Service (12b-1) Fees . . . . .	0.00%
Other Expenses <sup>(a)</sup> . . . . .	0.00%
Acquired Fund Fees and Expenses <sup>(b)</sup> . . . . .	0.12%
Total Annual Fund Operating Expenses <sup>(b)</sup> . . . . .	<u>0.87%</u>

<sup>(a)</sup> Pursuant to a Supervision Agreement, ARK Investment Management LLC ("Adviser") pays all other expenses of the Fund (other than acquired fund fees and expenses, taxes and governmental fees, brokerage fees, commissions and other transaction expenses, certain foreign custodial fees and expenses, costs of borrowing money, including interest expenses, and extraordinary expenses (such as litigation and indemnification expenses)).

<sup>(b)</sup> The Total Annual Fund Operating Expenses may not correlate to the ratio of expenses to average net assets as reported in the "Financial Highlights" section of the Prospectus, which reflects the operating expenses of the Fund and does not include Acquired Fund Fees and Expenses. Acquired Fund Fees and Expenses represent the Fund's pro rata share of fees and expenses incurred indirectly as a result of investing in other funds, including ETFs and money market funds.

## Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The example also assumes that your investment has a 5% annual return and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>Year</u>	<u>Expenses</u>
1	\$ 89
3	\$ 277
5	\$ 482
10	\$1,072

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it purchases and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may result in higher transaction costs and higher taxes when Shares are held in a taxable account. These costs, which are not reflected



in annual fund operating expenses or in the example, may affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 33% of the average value of its portfolio.

### **Principal Investment Strategies**

The Fund is an actively-managed exchange-traded fund ("ETF") that will invest 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 next generation internet.

Next generation internet companies are companies that the Adviser believes are focused on and expected to benefit from shifting the bases of technology infrastructure from hardware and software to the cloud, enabling mobile and local services, such as companies that rely on or benefit from the increased use of shared technology, infrastructure and services. These companies may include mail order houses which generate the entirety of their business through websites and which offer internet-based products and services, such as streaming media or cloud storage in addition to traditional physical goods. These companies may also include ones that develop, use or rely on innovative payment methodologies, big data, the "internet of things\*," social distribution and media, and technologies that make financial services more efficient ("Fintech Innovation Companies").

In selecting companies that the Adviser believes are relevant to a particular investment theme, the Adviser seeks to identify, using its own internal research and analysis, companies capitalizing on disruptive innovation or that are enabling the further development of a theme in the markets in which they operate. The Adviser's internal research and analysis leverages insights from diverse sources, including external research, to develop and refine its investment themes and identify and take advantage of trends that have ramifications for individual companies or entire industries. The types of companies that the Adviser believes are relevant to this theme are those that are focused on shifting the bases of technology infrastructure from hardware and software to the cloud, enabling mobile and local services, among others. The Adviser believes Fintech Innovation Companies are companies that are focused on and expected to benefit from the shifting of the financial sector and economic transactions to technology infrastructure platforms, and technological intermediaries. Fintech Innovation Companies may also develop, use or rely on innovative payment platforms and methodologies, point of sale providers, transactional innovations, business analytics, fraud reduction, frictionless funding platforms, peer-to-peer lending, blockchain technologies,\*\* intermediary exchanges, asset allocation technology, cryptocurrency,\*\*\* mobile payments, and risk pricing and pooling aggregators. The Fund may have exposure to cryptocurrency, such as bitcoin and Ether, indirectly through an investment in a grantor trust or in other pooled investment vehicles, such as exchange-traded funds.

The Fund's exposure to cryptocurrency may change over time and, accordingly, such exposure may not always be represented in the Fund's portfolio.

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\* The Adviser defines the "internet of things" as a system of interrelated computing devices, mechanical and digital machines, or physical objects that are provided unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.

\*\* The term "blockchain" refers to a peer-to-peer distributed ledger that is secured using cryptography. A distributed ledger is a shared electronic database where information is recorded and stored across multiple computers; a blockchain is one type of distributed ledger. A blockchain may be open and permissionless or private and permissioned. The Bitcoin and Ethereum blockchains are examples of open, public, permissionless blockchains. Blockchain derives its name from the way it stores transaction data in "blocks" that are linked together to form a chain. As the number of transactions grows, so does the blockchain. Blocks record and confirm the time and sequence of transactions, which are then logged into the blockchain network, which is, with respect to public blockchains, governed by rules agreed on by the network participants.

\*\*\* Cryptocurrencies (also referred to as "virtual currencies" and "digital currencies") are digital assets designed to act as a medium of exchange. There are thousands of cryptocurrencies, the most well-known of which is bitcoin.

The Adviser's process for identifying Next Generation Internet Companies uses both "top down" (thematic research sizing the potential total available market, and surfacing the prime beneficiaries) and "bottom up" (valuation, fundamental and quantitative measures) approaches. In both the Adviser's "top down" and "bottom up" approaches, the Adviser evaluates environmental, social, and governance ("ESG") considerations. In its "top down" approach, the Adviser uses the framework of the United Nations Sustainable Development Goals to integrate ESG considerations into its research and investment process. The Adviser, however, does not use ESG considerations to limit, restrict or otherwise exclude companies or sectors from the Fund's investment universe. In its "bottom up" approach, the Adviser makes its investment decisions primarily based on its analysis of the potential of individual companies, while integrating ESG considerations into that process. The Adviser's highest-conviction investment ideas are those that it believes present the best risk-reward opportunities.

Under normal circumstances, substantially all of the Fund's assets will be invested in equity securities, including common stocks, partnership interests, business trust shares and other equity investments or ownership interests in business enterprises. The Fund's investments will include micro-, small-, medium- and large-capitalization companies. The Fund's investments in foreign equity securities will be in both developed and emerging markets.

The Fund will be concentrated (i.e., more than 25% of the value of the Fund's assets) in securities of issuers having their principal business activities in the Internet information provider and catalog and mail order house industry. This concentration limit does not apply to securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities. The Fund may invest in foreign securities listed on foreign exchanges as well as American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs").

The Fund is classified as a "non-diversified" investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), which means that it may invest a high percentage of its assets in a limited number of issuers.

## Principal Risks

**There is no assurance that the Fund will meet its investment objective. The value of your investment in the Fund, as well as the amount of return you receive on your investment in the Fund, may fluctuate significantly. You may lose part or all of your investment in the Fund or your investment may not perform as well as other similar investments. Therefore, you should consider carefully the following risks before investing in the Fund. The principal risks of investing in the Fund listed below are presented alphabetically to facilitate your ability to find particular risks and compare them with the risks of other funds. Each risk summarized below is considered a "principal risk" of investing in the Fund, regardless of the order in which it appears.**

*Authorized Participants Concentration Risk.* The Fund has a limited number of financial institutions that may act as Authorized Participants ("APs") on an agency basis (i.e., on behalf of other market participants). To the extent that those APs exit the business or are unable to process creation and/or redemption orders, and no other AP is able to step forward to create and redeem in either of these cases, Shares may possibly trade at a discount to net asset value ("NAV"). The AP risk may be heightened in the case of ETFs investing internationally because international ETFs often require APs to post collateral, which only certain APs are able to do.

*Blockchain Investments Risk.* An investment in companies actively engaged in blockchain technology may be subject to the following risks:

- *The technology is new and many of its uses may be untested.* The mechanics of using distributed ledger technology to transact in other types of assets, such as securities or derivatives, is relatively new and untested. There is no assurance that widespread adoption will occur. A lack of expansion in the usage of blockchain technology could adversely affect an investment in the Fund. A breach to one blockchain could cause investors, and the public generally, to lose trust in blockchain technology and increase reluctance to issue and

invest in assets recorded on blockchains. Furthermore, blockchain technology is subject to a rapidly-evolving regulatory landscape in the United States and in other countries, which might include security, privacy or other regulatory concerns that could require changes to blockchain networks.

- *Theft, loss or destruction.* Transacting on a blockchain depends in part specifically on the use of cryptographic keys that are required to access a user's account (or "wallet"). The theft, loss or destruction of these keys impairs the value of ownership claims users have over the relevant assets being represented by the ledger (whether "smart contracts," securities, currency or other digital assets). The theft, loss or destruction of private or public keys needed to transact on a blockchain could also adversely affect a company's business or operations if it were dependent on the ledger.
- *Competing platforms and technologies.* The development and acceptance of competing platforms or technologies may cause consumers or investors to use alternatives to blockchains.
- *Cyber security incidents.* Cyber security incidents may compromise an issuer, its operations or its business. Cyber security incidents may also specifically target a user's transaction history, digital assets, or identity, thereby leading to privacy concerns. In addition, certain features of blockchain technology, such as decentralization, open source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response.
- *Developmental risk.* Blockchain technology may never develop optimized transactional processes that lead to realized economic returns for any company in which the Fund invests. Companies that are developing applications of blockchain technology applications may not in fact do so or may not be able to capitalize on those blockchain technologies. The development of new or competing platforms may cause consumers and investors to use alternatives to blockchains.
- *Intellectual property claims.* A proliferation of recent startups attempting to apply blockchain technology in different contexts means the possibility of conflicting intellectual property claims could be a risk to an issuer, its operations or its business. This could also pose a risk to blockchain platforms that permit transactions in digital securities. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the viability of blockchain may adversely affect an investment in the Fund.
- *Lack of liquid markets, and possible manipulation of blockchain-based assets.* Digital assets that are represented and trade on a blockchain may not necessarily benefit from viable trading markets. Stock exchanges have listing requirements and vet issuers, and perhaps users. These conditions may not necessarily be replicated on a blockchain, depending on the platform's controls and other policies. The more lenient a blockchain is about vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of digital assets. These factors may decrease liquidity or volume, or increase volatility of digital securities or other assets trading on a blockchain.
- *Lack of regulation.* Digital commodities and their associated platforms are largely unregulated, and the regulatory environment is rapidly evolving. Because blockchain works by having every transaction build on every other transaction, participants can self-police any corruption, which can mitigate the need to depend on the current level of legal or government safeguards to monitor and control the flow of business transactions. As a result, companies engaged in such blockchain activities may be exposed to adverse regulatory action, fraudulent activity or even failure.
- *Third party product defects or vulnerabilities.* Where blockchain systems are built using third party products, those products may contain technical defects or vulnerabilities beyond a company's control. Open-source technologies that are used to build a blockchain application may also introduce defects and vulnerabilities.

- *Reliance on the Internet.* Blockchain functionality relies on the Internet. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technologies and adversely affect the Fund. In addition, certain features of blockchain technology, such as decentralization, open source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response.
- *Line of business risk.* Some of the companies in which the Fund may invest are engaged in other lines of business unrelated to blockchain and these lines of business could adversely affect their operating results. The operating results of these companies may fluctuate as a result of these additional risks and events in the other lines of business. In addition, a company's ability to engage in new activities may expose it to business risks with which it has less experience than it has with the business risks associated with its traditional businesses. Despite a company's possible success in activities linked to its use of blockchain, there can be no assurance that the other lines of business in which these companies are engaged will not have an adverse effect on a company's business or financial condition.

*Communications Sector Risk.* The Fund will be more affected by the performance of the communications sector than a fund with less exposure to such sector. Communication companies are particularly vulnerable to the potential obsolescence of products and services due to technological advancement and the innovation of competitors. Companies in the communications sector may also be affected by other competitive pressures, such as pricing competition, as well as research and development costs, substantial capital requirements and government regulation. Additionally, fluctuating domestic and international demand, shifting demographics and often unpredictable changes in consumer tastes can drastically affect a communication company's profitability. While all companies may be susceptible to network security breaches, certain companies in the communications sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

*Concentration Risk.* The Fund's assets will be concentrated in securities of issuers having their principal business activities in the Internet information provider and catalog and mail order house industry. To the extent that the Fund continues to be concentrated in the Internet information provider and catalog and mail order house industry, the Fund will be subject to the risk that economic, political, or other conditions that have a negative effect on such industry, and likely will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries. Please see also the "Internet Information Provider Company Risk" and "Catalog and Mail Order House Company Risk" disclosures below.

*Consumer Discretionary Risk.* The consumer discretionary sector may be affected by changes in domestic and international economies, exchange and interest rates, competition, consumers' disposable income and consumer preferences, social trends and marketing campaigns.

*Cryptocurrency Risk.* Cryptocurrencies (also referred to as "virtual currencies" and "digital currencies") are digital assets designed to act as a medium of exchange. Cryptocurrency is an emerging asset class with a limited history. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Although the Fund does not directly invest in bitcoin or Ether, the Fund's indirect investments in these digital assets are exposed to risks associated with the price of bitcoin or Ether, which is subject to numerous factors and risks. Investments in or exposure to cryptocurrencies, such as bitcoin or Ether, are subject to substantial risks, including significant price volatility and fraud and manipulation, which are generally more pronounced in the crypto asset market. The Fund may have exposure to cryptocurrencies, including bitcoin and Ether, indirectly through an investment in the Grayscale Bitcoin Trust ("GBTC"), a privately offered, open-end investment vehicle that invests in bitcoin or through investments in other investment companies, including other ETFs.

Cryptocurrency generally operates without central authority (such as a bank) and is not backed by any government, corporation, or other entity. Cryptocurrency is not generally accepted as legal tender. Regulation of cryptocurrency is still developing. Federal, state and/or foreign governments may restrict the development, use, or exchange of cryptocurrency. As digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies have been examining the operations of digital asset networks, digital asset users and the digital asset trading market. Many of these state and federal agencies have brought enforcement actions and issued advisories and rules relating to digital asset markets. Ongoing and future regulatory actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the cryptocurrency and/or the ability of the Fund to continue to operate.

The market for bitcoin and Ether depends on, among other things: the supply and demand for bitcoin or Ether (and their respective futures); the adoption of bitcoin or Ether for commercial uses; the anticipated increase of investments in bitcoin- or Ether-related investment products by retail and institutional investors; speculative interest in spot cryptocurrencies, cryptocurrency futures, and cryptocurrency-related investment products; regulatory or other restrictions on investors' ability to invest in cryptocurrency futures; and the potential ability to hedge against the price of a cryptocurrency with their respective futures (and vice versa). The market prices of bitcoin and Ether, for example have been subject to extreme fluctuations. The price of bitcoin or Ether could fall sharply (potentially to zero) for various reasons, including, but not limited to, regulatory changes, issues impacting the bitcoin network or the Ethereum and Ethereum Class networks, events involving entities that facilitate transactions in bitcoin or Ether, or changes in user preferences in favor of alternative cryptocurrencies. Furthermore, events that impact one cryptocurrency may lead to a decline in the value of other cryptocurrencies, including bitcoin and Ether.

Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated. Therefore, cryptocurrency exchanges may be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. However, the digital asset trading platforms on which cryptocurrencies are traded, and which may serve as a pricing source that is used for the purposes of valuing the Fund's investments, are or may become subject to enforcement actions by regulatory authorities, and such enforcement actions may have a material adverse impact on the Fund, its investments, and its ability to implement its investment strategies. Cryptocurrency exchanges may not have the same features as traditional exchanges to enhance the stability of trading on the exchange, such as measures designed to prevent sudden price swings such as "flash crashes." As a result, the prices of cryptocurrencies on exchanges may be subject to more volatility than traditional assets traded on regulated exchanges. Cryptocurrency exchanges are also subject to cyber security risks. Cryptocurrency exchanges have experienced cyber security breaches in the past and may be breached in the future, which could result in the theft and/or loss of bitcoin and other cryptocurrencies and impact the value of bitcoin. Furthermore, cyber security events, legal or regulatory actions, fraud, and technical glitches, may cause a cryptocurrency exchange to shut down temporarily or permanently, which may also affect the value of bitcoin.

The Fund's investments in GBTC, or ETFs with exposure to bitcoin, Ether, or other cryptocurrencies (collectively, "cryptocurrency investment vehicles"), expose the Fund to all of the risks related to cryptocurrencies described above and also expose the Fund to risks related to cryptocurrency investment vehicles directly. Shares of cryptocurrency investment vehicles may trade at a significant premium or discount to NAV. To the extent a cryptocurrency investment vehicle trades at a discount to NAV, the value of the Fund's investment in such cryptocurrency investment vehicle would typically decrease. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies, including bitcoin, are susceptible to theft, loss and destruction. If a cryptocurrency investment vehicle experiences theft, loss, or destruction of its bitcoin or Ether holdings, the Fund's investments in such cryptocurrency investment vehicle could be harmed. Furthermore, because there is no guarantee that an active



trading market for a cryptocurrency investment vehicle will exist at any time, the Fund's investments in such vehicle may also be subject to liquidity risk, which can impair the value of the Fund's investments in the cryptocurrency investment vehicle. Investors may experience losses if the value of the Fund's investments in cryptocurrency investment vehicles declines.

*Cryptocurrency Tax Risk.* Many significant aspects of the U.S. federal income tax treatment of investments in bitcoin and Ether are uncertain and an investment in bitcoin, Ether, or other cryptocurrency 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 Statement of Additional Information for more information.

*Currency Risk.* Changes in currency exchange rates will affect the value of non-U.S. dollar denominated securities, the value of dividends and interest earned from such securities, gains and losses realized on the sale of such securities, and derivative transactions tied to such securities. A strong U.S. dollar relative to other currencies will adversely affect the value of the Fund's investments denominated in those other currencies.

*Cyber Security Risk.* As the use of Internet technology has become more prevalent in the course of business, funds have become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events from external or internal sources that may cause the Fund to lose proprietary information, suffer data corruption, lose operational capacity, or result in unauthorized access to confidential information. Such events could prevent the Fund from engaging in normal business activities and cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve, among other things, unauthorized access to the Fund's digital information systems through "hacking" or malicious software coding, ransomware attacks that impair the Fund's ability to access its data or systems until a ransom is paid, or denial-of-service attacks that make network services unavailable to intended users. In addition, cyber security breaches of the Fund's third-party service providers, such as its adviser, administrator, transfer agent or custodian, the Fund's trading counterparties, and issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. Cyber security breaches experienced by an issuer in which the Fund invests can also impact the value of the Fund's investment in that issuer. While the Fund has established business continuity plans and risk management systems designed to reduce the risks associated with cyber security, there are inherent limitations in such plans and systems. Additionally, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of its third-party service providers, trading counterparties, or issuers.

*Depository Receipts Risk.* Depository receipts generally involve similar risks to those associated with investments in foreign securities. Depository receipts are securities that are typically issued by a bank or trust company that evidence ownership of underlying securities issued by a foreign corporation and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign securities. The issuers of certain depository receipts are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities. Investments in depository receipts may be less liquid than the underlying shares in their primary trading market. Depository receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. In addition, the issuers of the stock underlying unsponsored depository receipts are not obligated to disclose material information in the United States. The issuers of depository receipts may discontinue issuing new depository receipts and withdraw existing depository receipts at any time, which may result in costs and delays in the distribution of the underlying assets to the Fund and may negatively impact the Fund's performance.

*Disruptive Innovation Risk.* Companies that the Adviser believes are capitalizing on disruptive innovation and developing technologies to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. These companies may also be exposed to risks applicable to sectors other than the disruptive innovation theme for which they are chosen, and the securities issued by these companies may underperform the securities of other companies that are primarily focused on a particular theme. The Fund may invest in a company that does not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that a company will derive any revenue from disruptive innovations or technologies in the future. A disruptive innovation or technology may constitute a small portion of a company's overall business. As a result, the success of a disruptive innovation or technology may not affect the value of the equity securities issued by the company.

*Emerging Market Securities Risk.* Investment in securities of emerging market issuers may present risks that are greater than or different from those associated with foreign securities due to less developed and liquid markets and such factors as increased economic, political, regulatory, or other uncertainties. Certain emerging market countries may be subject to less stringent requirements regarding accounting, auditing, financial reporting and record keeping and therefore, material information related to an investment may not be available or reliable. In addition, the Fund is limited in its ability to exercise its legal rights or enforce a counterparty's legal obligations in certain jurisdictions outside of the United States, in particular, in emerging markets countries.

*Equity Securities Risk.* The value of the equity securities the Fund holds may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities the Fund holds participate or factors relating to specific companies in which the Fund invests. These can include stock movements, purchases or sales of securities by the Fund, government policies, litigation and changes in interest rates, inflation, the financial condition of the securities' issuer or perceptions of the issuer, or economic conditions in general or specific to the issuer. Equity securities may also be particularly sensitive to general movements in the stock market, and a decline in the broader market may affect the value of the Fund's equity investments.

- *Special Purpose Acquisition Companies (SPACs).* The Fund may invest in stock of, warrants to purchase stock of, and other interests in SPACs or similar special purposes entities. A SPAC is a publicly traded company that raises investment capital for the purpose of acquiring or merging with an existing company. Investments in SPACs and similar entities are subject to a variety of risks beyond those associated with other equity securities. Because SPACs and similar entities do not have any operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the SPAC's management to identify a merger target and complete an acquisition. Until an acquisition or merger is completed, a SPAC generally invests its assets, less a portion retained to cover expenses, in U.S. government securities, money market securities and cash and does not typically pay dividends in respect of its common stock. As a result, it is possible that an investment in a SPAC may lose value.

*Financial Technology Risk.* Companies that are developing financial technologies that seek to disrupt or displace established financial institutions generally face competition from much larger and more established firms. Fintech Innovation Companies may not be able to capitalize on their disruptive technologies if they face political and/or legal attacks from competitors, industry groups or local and national governments. Laws generally vary by country, creating some challenges to achieving scale. A Fintech Innovation Company may not currently derive any revenue, and there is no assurance that such company will derive any revenue from innovative technologies in the future. Additionally, Fintech Innovation Companies may be adversely impacted by potential rapid product obsolescence, cybersecurity attacks, increased regulatory oversight and disruptions in the technology they depend on.

*Foreign Securities Risk.* The Fund's investments in foreign securities can be riskier than U.S. securities investments. Investments in the securities of foreign issuers (including investments in ADRs and GDRs) are subject to the risks associated with investing in those foreign markets, such as heightened risks of inflation or nationalization. The prices of foreign securities and the prices of U.S. securities have, at times, moved in opposite directions. In addition, securities of foreign issuers may lose value due to political, economic and geographic events affecting a foreign issuer or market. During periods of social, political or economic instability in a country or region, the value of a foreign security traded on U.S. exchanges could be affected by, among other things, increasing price volatility, illiquidity, or the closure of the primary market on which the security (or the security underlying the ADR or GDR) is traded. You may lose money due to political, economic and geographic events affecting a foreign issuer or market. The Fund normally will not hedge any foreign currency exposure.

*Information Technology Sector Risk.* The information technology sector includes companies engaged in internet software and services, technology hardware and storage peripherals, electronic equipment instruments and components, and semiconductors and semiconductor equipment. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face rapid product obsolescence due to technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Failure to introduce new products, develop and maintain a loyal customer base, or achieve general market acceptance for their products could have a material adverse effect on a company's business. Companies in the information technology sector are heavily dependent on intellectual property and the loss of patent, copyright and trademark protections may adversely affect the profitability of these companies.

- *Internet Company Risk.* Many Internet-related companies have incurred large losses since their inception and may continue to incur large losses in the hope of capturing market share and generating future revenues. Accordingly, many such companies expect to incur significant operating losses for the foreseeable future, and may never be profitable. The markets in which many Internet companies compete face rapidly evolving industry standards, frequent new service and product announcements, introductions and enhancements, and changing customer demands. The failure of an Internet company to adapt to such changes could have a material adverse effect on the company's business. Additionally, the widespread adoption of new Internet, networking, telecommunications technologies, or other technological changes could require substantial expenditures by an Internet company to modify or adapt its services or infrastructure, which could have a material adverse effect on an Internet company's business.
- *Semiconductor Company Risk.* Competitive pressures may have a significant effect on the financial condition of semiconductor companies and, as product cycles shorten and manufacturing capacity increases, these companies may become increasingly subject to aggressive pricing, which hampers profitability. Reduced demand for end-user products, under-utilization of manufacturing capacity, and other factors could adversely impact the operating results of companies in the semiconductor sector. Semiconductor companies typically face high capital costs and may be heavily dependent on intellectual property rights. The semiconductor sector is highly cyclical, which may cause the operating results of many semiconductor companies to vary significantly. The stock prices of companies in the semiconductor sector have been and likely will continue to be extremely volatile.
- *Software Industry Risk.* The software industry can be significantly affected by intense competition, aggressive pricing, technological innovations, and product obsolescence. Companies in the software industry are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. These companies also face the risks that new services,



equipment or technologies will not be accepted by consumers and businesses or will become rapidly obsolete. These factors can affect the profitability of these companies and, as a result, the value of their securities. Also, patent protection is integral to the success of many companies in this industry, and profitability can be affected materially by, among other things, the cost of obtaining (or failing to obtain) patent approvals, the cost of litigating patent infringement and the loss of patent protection for products (which significantly increases pricing pressures and can materially reduce profitability with respect to such products). In addition, many software companies have limited operating histories. Prices of these companies' securities historically have been more volatile than other securities, especially over the short term.

*International Closed-Market Trading Risk.* Because certain of the Fund's underlying securities trade on an exchange that is closed when the securities exchange on which Fund Shares list and trade is open, there are likely to be deviations between the current pricing of an underlying security and stale security pricing (*i.e.*, the last quote from its closed foreign market), likely resulting in premiums or discounts to NAV that may be greater than those experienced by ETFs that do not invest in foreign securities.

*Issuer Risk.* Because the Fund may invest in between 40 and 50 issuers, it is subject to the risk that the value of the Fund's portfolio may decline due to a decline in value of the equity securities of particular issuers. The value of an issuer's equity securities may decline for reasons directly related to the issuer, such as management performance and reduced demand for the issuer's goods or services.

*Large-Capitalization Companies Risk.* Large-capitalization companies are generally less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of large-capitalization companies may not rise as much as that of companies with smaller market capitalizations.

*Management Risk.* As an actively-managed ETF, the Fund is subject to management risk. The ability of the Adviser to successfully implement the Fund's investment strategies will significantly influence the Fund's performance. The success of the Fund will depend in part upon the skill and expertise of certain key personnel of the Adviser, and there can be no assurance that any such personnel will continue to be associated with the Fund.

*Market Risk.* The value of the Fund's assets will fluctuate as the markets in which the Fund invests fluctuate. The value of the Fund's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, such as inflation (or expectations for inflation), deflation (or expectations for deflation), interest rates, global demand for particular products or resources, market instability, debt crises and downgrades, embargoes, tariffs, sanctions and other trade barriers, regulatory events, other governmental trade or market control programs and related geopolitical events. In addition, the value of the Fund's investments may be negatively affected by the occurrence of global events such as war, military conflict, acts of terrorism, social unrest, environmental disasters, natural disasters or events, recessions, supply chain disruptions, political instability, and infectious disease epidemics or pandemics.

For example, an outbreak of an infectious disease may negatively affect economies, markets and individual companies throughout the world, including those in which the Fund invests. The effects of such pandemics to public health and business and market conditions, including exchange trading suspensions and closures may have a significant negative impact on the performance of the Fund's investments, increase the Fund's volatility, negatively impact the Fund's arbitrage and pricing mechanisms, exacerbate pre-existing political, social and economic risks to the Fund, and negatively impact broad segments of businesses and populations. The Fund's operations may be interrupted as a result, which may contribute to the negative impact on investment performance. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to a pandemic that affect the instruments in which the Fund invests, or the issuers of such instruments, in ways that could have a significant negative impact on the Fund's investment performance.

*Market Trading Risk.* The Fund faces numerous market trading risks, including disruptions to the creation and redemption processes of the Fund, losses from trading in secondary markets, the existence of extreme market volatility, the potential lack of an active trading market for Shares due to market stress, or trading halts impacting the Shares or the Fund's underlying securities, which may result in Shares trading at a significant premium or discount to their NAV. If a shareholder purchases Shares at a time when the market price is at a premium to the NAV or sells Shares at a time when the market price is at a discount to the NAV, the shareholder may pay more for, or receive less than, the underlying value of the Shares, respectively.

*Micro-Capitalization Companies Risk.* Micro-capitalization companies are subject to substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses). Their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. The shares of micro-capitalization companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the future ability to sell these securities.

*Next Generation Internet Companies Risk.* The risks described below apply, in particular, to the Fund's investment in Next Generation Internet Companies.

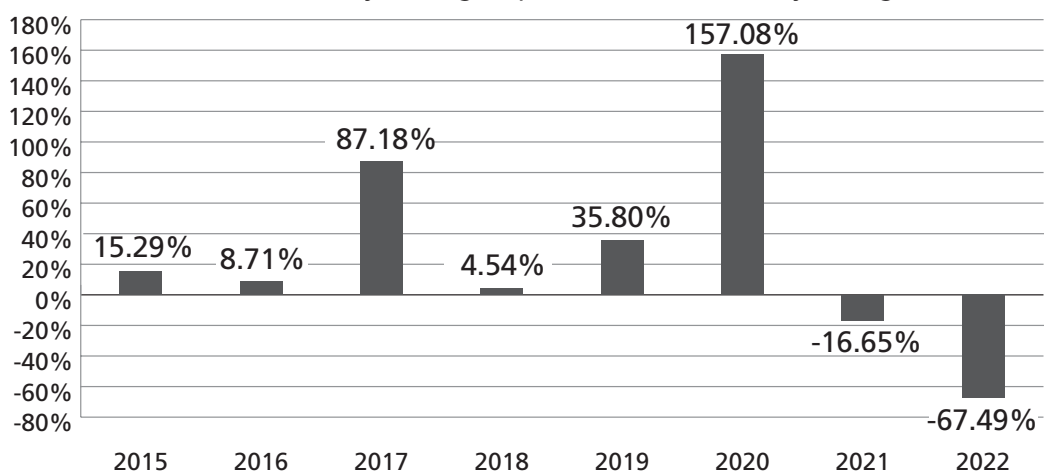
- *Internet Information Provider Company Risk.* Internet information provider companies provide Internet navigation services and reference guide information and publish, provide or present proprietary advertising and/or third party content. Such companies often derive a large portion of their revenues from advertising, and a reduction in spending by or loss of advertisers could seriously harm their business. This business is rapidly evolving and intensely competitive, and is subject to changing technologies, shifting user needs, and frequent introductions of new products and services. The research and development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation and investment, as well as the accurate anticipation of technology, market trends and consumer needs. The number of people who access the Internet is increasing dramatically and a failure to attract and retain a substantial number of such users to a company's products and services or to develop products and technologies that are more compatible with alternative devices, could adversely affect operating results. Concerns regarding a company's products, services or processes that may compromise the privacy of users or other privacy related matters, even if unfounded, could damage a company's reputation and adversely affect operating results.
- *Catalog and Mail Order House Company Risk.* Catalog and mail order house companies may be exposed to significant inventory risks that may adversely affect operating results due to, among other factors: seasonality, new product launches, rapid changes in product cycles and pricing, defective merchandise, changes in consumer demand and consumer spending patterns, or changes in consumer tastes with respect to products. Demand for products can change significantly between the time inventory or components are ordered and the date of sale. The acquisition of certain types of inventory or components may require significant lead-time and prepayment and they may not be returnable. Failure to adequately predict customer demand or otherwise optimize and operate distribution centers could result in excess or insufficient inventory or distribution capacity, result in increased costs, impairment charges, or both. The business of catalog and mail order house companies can be highly seasonal and failure to stock or restock popular products in sufficient amounts during high demand periods could significantly affect revenue and future growth. Increased website traffic during peak periods could cause system interruptions which may reduce the volume of goods sold and the attractiveness of a company's products and services.

*Non-Diversified Risk.* The Fund is classified as a "non-diversified" investment company under the 1940 Act. Therefore, the Fund may invest a relatively higher percentage of its assets in a relatively smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As a result, the gains and losses on a single investment may have a greater impact on the Fund's NAV and may make the Fund more volatile than more diversified funds.

**Small- and Medium-Capitalization Companies Risk.** Small- and medium-capitalization companies may be more volatile and more likely than large-capitalization companies to have narrower product lines, fewer financial resources, less management depth and experience and less competitive strength. Returns on investments in securities of small- and medium-capitalization companies could trail the returns on investments in securities of large-capitalization companies.

## Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows how the Fund's average annual returns for 1 year, 5 years and since the Fund's inception compare with those of the S&P 500 Index and the MSCI World Index. 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. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. *Updated performance information is available at no cost by visiting <http://lark-funds.com> or by calling (727) 810-8160.*



The Fund's year-to-date total return as of October 31, 2023 was 34.30%.

Best and Worst Quarter Returns (for the period reflected in the bar chart above)		Return	Quarter/Year
Highest Return		60.37%	6/30/2020
Lowest Return		-43.78%	6/30/2022

Average Annual Total Returns as of December 31, 2022	1 Year	5 Years	Since Inception <sup>(1)</sup>
Returns Before Taxes	-67.49%	-0.23%	11.03%
Returns After Taxes on Distributions <sup>(2)</sup>	-67.49%	-1.38%	10.05%
Returns After Taxes on Distributions and Sale of Fund Shares <sup>(2)</sup>	-39.96%	-0.26%	8.88%
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	-18.11%	9.42%	10.44%
MSCI World Index (reflects no deduction for fees, expenses or taxes)	-18.14%	6.14%	7.17%

<sup>(1)</sup> The Fund commenced operations on September 30, 2014.

<sup>(2)</sup> After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown and are not relevant if you hold your shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

## **Management of the Fund**

*Investment Adviser.* ARK Investment Management LLC.

*Portfolio Manager.* The following individual has been primarily responsible for the day-to-day management of the Fund's portfolio since the inception of the Fund: Catherine D. Wood.

## **Purchase and Sale of Fund Shares**

The Fund issues and redeems Shares at its NAV only in a large specified number of Shares each called a "Creation Unit," or multiples thereof, and only with APs who have entered into contractual arrangements with the Fund's distributor ("Distributor").

Individual Shares (rather than Creation Units) of the Fund may only be purchased and sold on a national securities exchange through a broker or dealer at market price. The prices at which individual Shares may be purchased and sold on a national securities exchange through brokers are based on market prices and, because Shares will trade at market prices rather than at NAV, individual Shares of the Fund may trade at a price greater than or less than NAV. Shares of the Fund are listed on NYSE Arca, Inc. ("Arca").

An investor may incur costs attributable to the difference between the highest price a buyer is willing to pay to purchase Shares of the Fund (bid) and the lowest price a seller is willing to accept for Shares (ask) when buying or selling Shares in the secondary market (the "bid-ask spread").

Recent information, including information about the Fund's NAV, market price, premiums and discounts, and bid-ask spreads, is included on the Fund's website at <http://ark-funds.com>.

## **Tax Information**

The Fund's distributions are taxable and generally will be taxed as ordinary income or capital gains.

## **Payments to Broker-Dealers and Other Financial Intermediaries**

The Adviser and its related companies may pay broker/dealers or other financial intermediaries (such as a bank) for the sale of the Fund Shares and related services. These payments create a conflict of interest by influencing your broker/dealer, sales persons or other intermediary or its employees or associated persons to recommend the Fund over another investment. Ask your financial adviser or visit your financial intermediary's website for more information.