WHY INVEST IN
FINTECH INNOVATION (ARKF)
Risks of Investing in Fintech Innovation?

Please note, companies that ARK believes are capitalizing on disruptive innovation and developing technologies to displace older technologies or create new markets may not in fact do so. ARK aims to educate investors and seeks to size the potential investment opportunity of FinTech Innovation, noting that risks and uncertainties may impact our projections and research models. Investors should use the content presented for informational purposes only, and be aware of market risk, disruptive innovation risk, regulatory risk, and risks related to certain innovation areas such as the Software and Internet Sectors. Please read risk disclosure carefully.

**RISK FACTORS OF INVESTING IN FINTECH INNOVATION**

- Rapid Pace of Change
- Barriers to Entry
- Exposure Across Sectors and Market Cap
- Uncertainty and Unknowns
- Regulatory Hurdles
- Patent Protection and IP Rights
- Political and Legal Pressure
- Competitive Landscape

→ Aim for a cross-sector understanding of technology and combine top down and bottom up research.
→ Aim to understand the regulatory, market, sector, and company risks. (See Risk Disclosure on page 22)
The modern financial industry evolved over 1000 years…

… but technology has transformed it completely in just 20 years.

Source: ARK Investment Management LLC, 2019
CHINA'S MOBILE PAYMENT VOLUME IS NEARLY DOUBLE ITS GDP

**China: Mobile Payment Volume**

- 2014: $0.9T
- 2015: $1.9T
- 2016: $9T
- 2017: $15T
- 2018: $24T

**China: GDP**

- 2014: $1.9T
- 2015: $11.1T
- 2016: $11.2T
- 2017: $12.2T
- 2018: $13.0T

FINTECH TOUCHES ECONOMIC ACTIVITY THAT IS NOT MEASURED BY GDP

GDP measures **ADDED VALUE** between stages of processing

1. Raw Materials
2. Work in process
3. Work in process
4. Finished goods

Fintech measures the **TOTAL VALUE** at each stage of processing

**Intermediate Transactions**

- **Gifting**
- **P2P Transfers**
- **Tipping**

Source: ARK Investment Management LLC, 2019
ARK BELIEVES THAT FINTECH WILL IMPACT ECONOMIC ACTIVITY WELL BEYOND THAT MEASURED BY GDP

$83.7 Trillion Global GDP (2018)

The digital economy requires solutions for the generation, transfer and storage of value.

Fintech can provide better, cheaper, faster and novel solutions.

For informational purposes only. Past performance is not a guarantee of future results. Not endorsements by ARK of any company or security or recommendations by ARK to buy, sell or hold any security.
MILLENNIALS ARE ACCELERATING THE FINTECH REVOLUTION

42% of Millennials have a Venmo account, compared to 7% of people aged 55+.

43% of Millennial Venmo users use it once a day, compared to 1% of those aged 45+.

OLDER GENERATIONS FOLLOW THE YOUNG IN THE ADOPTION OF DIGITAL SERVICES

US Adults Using One or More Social Media Sites
(Percent, By Age Group)

- Age 18-29 in 2018: 88%
- 65+: 37%

THANKS TO FINTECH, THE UNBANKED WILL GAIN ACCESS TO FINANCIAL SERVICES

- Globally, 1.7 billion adults had no access to banking services in 2017.

- 2/3 of the world’s unbanked own a mobile phone, potentially enabling access to financial solutions.

- 20 million people in the US were unbanked in 2017, the same number that Citibank Serves in the US today.

- 1.4 trillion transactions still occur in cash annually, representing a $100 Billion opportunity for Fintech solutions.

ARK PROVIDES INVESTMENT ACCESS TO FINTECH

Fintech is the convergence of primary and secondary innovation platforms, as identified by ARK:

1. Mobile Value Transfer Devices
2. Artificial Intelligence & Cloud
3. Blockchain Technology

Source: ARK Investment Management LLC, 2019
ARKit defines digital wallets as more than applications on a phone with payment capabilities. They are financial ecosystems that enable access to a variety of services including wealth management, insurance, instant payments, and cryptoassets.

**DIGITAL WALLET**

- Peer-to-peer transfers faster than checks and wires
- Instantaneous and more accurate credit assessment
- Tailored insurance products
- Easy credit card payments
- Personal finance management, tax planning and financial education
- Efficient movement of funds into savings products
- Integration with various wealth management platforms
- Frictionless access to cryptocurrencies

Source: ARK Investment Management LLC, 2019
Digital wallets are scaling quickly relative to traditional banks. By the end of 2018, Venmo had the fourth largest customer base in the US, trailing only Wells Fargo, Bank of America and JPMorgan Chase. Square’s Cash App also will be in the top 10.

Top US Financial Institutions Ranked by Number of Customer Accounts (2018)

- Wells Fargo
- Bank of America
- JPMorgan Chase
- Venmo
- U.S. Bank
- Citibank
- PNC Bank
- Capital One
- TD Bank
- Square Cash App
- USAA Federal Savings Bank
- BB&T
- Regions Bank
- Suntrust Bank
- Citizens Bank
- Fifth Third Bank
- Huntington National Bank
- Keybank
- Discover Bank
- Optum Bank

#4 Venmo
Up from #7 in 2017 and #12 in 2016

#10 Square
On the rise from #14 in 2017 and #41 in 2016

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ARTIFICIAL INTELLIGENCE

Deep Learning Could Create 3x the Value of The Internet Across Industries

The internet captured 15% of the globe’s equity market capitalization over 20 years. If deep learning were to achieve the same rate of adoption, it would add $30 trillion to global equity market capitalizations in the next 20 years (across all industries).

Incremental Market Capitalization by Computing Wave

- Deep Learning
- Internet
- Information Technology

ARTIFICIAL INTELLIGENCE

Fintech Applications

- More accurate Risk Assessment
- Faster Fraud Detection
- Automated Wealth Management
- Augmented Customer Interaction
- Increased efficiency in Analytics and Processes

Source: ARK Investment Management LLC, 2019
ARK Fintech Innovation ETF (ARKF)

2

ARTIFICIAL INTELLIGENCE
Use Case: Peer-to-Peer Lending

$2.4B Saved by borrowers thanks to LendingClub’s Machine Learning-based credit scoring.

LendingClub

Uses Machine Learning to analyze non-traditional data sources to determine borrowers’ credit risk. Borrowers benefit from both:

A Enhanced access to credit

B Lower rates

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Source: ARK Investment Management LLC, 2019; LendingClub, https://arkinv.st/2HH7nLY.
BLOCKCHAIN TECHNOLOGY
Blockchain could revolutionize Remittances and Trade Settlement

Low-cost Remittances

Faster Trade Settlement

Source: ARK Investment Management LLC, 2019
BLOCKCHAIN TECHNOLOGY
The Potential Of Blockchain Technology

With an annual transaction volume of $1.3 trillion and a daily transaction volume of $3.1 billion in 2018, Bitcoin shows that blockchain-based value transfer and storage systems have the potential to disrupt today’s major remittances operators.

*Note: Lines show 2018 data for comparison.

Source: ARK Investment Management LLC, 2019; Cattle Island Ventures, https://arkinv.st/2QwChFL; Data from coinmetrics.io.
ARK's INNOVATION ETFs

ARK Fintech Innovation ETF (ARKF)
“The Financial Transformation”

ARK’s Fintech Innovation ETF focuses on innovations that are revolutionizing the financial industry. Regulatory changes have shifted the economics of intermediating capital, reconfiguring the value-chain and allowing exploitation by competitors. Technology is changing the ability of financial institutions to assess risk, interact with customers, and facilitate transactions.

• Ticker: ARKF
• Fund AUM: $57 Million
• Holdings: 30-50 U.S. Equities/U.S.-listed ADRs

EXPENSE RATIO: 0.75%
All cap, cross-sector exposure
Conviction-weighted equities

TOP 10 HOLDINGS

<table>
<thead>
<tr>
<th>Stock Name</th>
<th>Weight</th>
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</thead>
<tbody>
<tr>
<td>SQUARE INC - A</td>
<td>8.7%</td>
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<tr>
<td>LENDINGTREE INC</td>
<td>6.6%</td>
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<tr>
<td>TENCENT HOLDINGS LTD-UNS ADR</td>
<td>6.3%</td>
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<tr>
<td>APPLE INC</td>
<td>5.5%</td>
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<tr>
<td>AMAZON.COM INC</td>
<td>4.5%</td>
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<tr>
<td>PAYPAL HOLDINGS INC</td>
<td>4.0%</td>
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<tr>
<td>ZILLOW GROUP INC - C</td>
<td>3.8%</td>
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<tr>
<td>NVIDIA CORP</td>
<td>3.7%</td>
</tr>
<tr>
<td>Baidu INC - SPON ADR</td>
<td>3.6%</td>
</tr>
<tr>
<td>ALIBABA GROUP HOLDING-SP ADR</td>
<td>3.4%</td>
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</table>

Holdings are subject to change and should not be considered as investment advice, or a recommendation to buy, sell or hold any particular security.

50.1%

MODEL PORTFOLIO COMPOSITION

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
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</thead>
<tbody>
<tr>
<td>Transaction Innovations</td>
<td>29.3%</td>
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<tr>
<td>Customer Facing Platforms</td>
<td>18.7%</td>
</tr>
<tr>
<td>Frictionless Funding Platforms</td>
<td>18.4%</td>
</tr>
<tr>
<td>Risk Transformations</td>
<td>13.7%</td>
</tr>
<tr>
<td>Bitcoin/Blockchain</td>
<td>11.4%</td>
</tr>
<tr>
<td>The New Intermediaries</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

SECTORS

<table>
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<tr>
<th>Sector</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Information Technology</td>
<td>39.6%</td>
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<tr>
<td>Financials</td>
<td>20.7%</td>
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<tr>
<td>Communication Services</td>
<td>18.6%</td>
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<tr>
<td>Consumer Discretionary</td>
<td>15.0%</td>
</tr>
<tr>
<td>Industrials</td>
<td>3.2%</td>
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<tr>
<td>Health Care</td>
<td>2.5%</td>
</tr>
<tr>
<td>Funds</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: ARK Investment Management LLC; All data as of March 31, 2019
### ARK’s INNOVATION ETFs

**THEMATIC STRATEGIES FOCUSED ON DISRUPTIVE INNOVATION**

<table>
<thead>
<tr>
<th>ETF Name</th>
<th>Ticker</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARK Innovation ETF</td>
<td>ARKK</td>
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<tr>
<td>ARK Web x.0 ETF</td>
<td>ARKW</td>
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<tr>
<td>ARK Industrial Innovation ETF</td>
<td>ARKQ</td>
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<td>ARK Genomic Revolution ETF</td>
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<td>ARK Fintech Innovation ETF</td>
<td>ARKF</td>
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<tr>
<td>The 3D Printing ETF</td>
<td>PRNT</td>
</tr>
<tr>
<td>Israel Innovative Technology ETF</td>
<td>IZRL</td>
</tr>
</tbody>
</table>

(1) “Active ETF of the Year” (2017, 2018)
(2) “ETF of the Year” (2017)
(3) “ETF Innovative Product of the Year” (2015)
(4) “ETF Innovation” (2018)

[+] Awarded by Fund Intelligence. [++] Awarded by ETF.com. [+++] Awarded by Fund Action. For detailed award information see disclosure.
For information regarding ARK’s ETFs, please contact our sales partner, Resolute Investment Distributors at 1-800-679-7759 or send an email to etfs@ark-invest.com

Factsheet, prospectus, and latest performance reports at available for download on our website: ark-funds.com/investor-material

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Investors should carefully consider the investment objectives and risks as well as charges and expenses of an ARK ETF before investing. This and other information are contained in the ARK ETFs’ prospectuses, which may be obtained by visiting www.ark-funds.com. The prospectus should be read carefully before investing.

**Fund Risks:** The principal risks of investing in ARKF: 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. 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. 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. Technology companies may have limited product lines, markets, financial resources or personnel. The products of 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. Blockchain technology is new and many of its uses may be untested. Blockchain and 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-policing 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. Digital assets that are represented and trade on a blockchain may not necessarily benefit from viable trading markets. For other risks regarding the fund please see the prospectus.

Shares of ARKF 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.

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. Securities in the ETF’s portfolio will not match those in any index. The active ETFs are 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. An indication of interest in response to this advertisement will involve no obligation or commitment of any kind.
DISCLOSURES 2/3

Portfolio holdings will change and should not be considered as investment advice or a recommendation to buy, sell or hold any particular security. Please visit www.ark-funds.com for the most current list of holdings for the ARK ETFs.

The information herein is general in nature and should not be considered financial, legal or tax advice. An investor should consult a financial professional, an attorney or tax professional regarding the investor’s specific situation. Certain information was obtained from sources that ARK believes to be reliable; however, ARK does not guarantee the accuracy or completeness of any information obtained from any third party.

ARK Investment Management LLC is the investment adviser to the ARK ETFs.

Foreside Fund Services, LLC, distributor.
Award Information

“Women In Finance, Outstanding Contribution” 2016: Number of Nominees: Unknown. Ranking Entity: Markets Media; Length of the period: 12 Months
Criteria on which the ranking is based: Markets Media’s editorial team identifies candidates via online submissions from market participants, including those across the institutional buy side and sell side. (Award Page: marketsmedia.com/announcing-the-2016-markets-choice-award-winners/)

“ETF Innovative Product of the Year” 2016 — Number of Nominees: Four; Ranking Entity: Fund Action; Length of the period: 12 Months
Criteria on which the ranking is based: 1. Positive inflows and performance — against an immediate peer group; 2. Genuine innovation in a number of areas — fees, distribution and new investment ideas; 3. The market perception and the opinion of the analyst community; 4. Feedback from key investor representatives – intermediaries and distribution platforms (Award Page: eiseverywhere.com/ehome/148459/338713/8&)

“ETF Provider of the Year” and “Active ETF of the Year” 2018 — Number of Nominees: Unknown. Ranking Entity: Fund Intelligence; Length of the period: 12 Months;

“ETF Suite of the Year”, “ETF Innovation”, and “Active ETF of the Year” 2019 — Number of Nominees: See below. Ranking Entity: Fund Intelligence; Length of the period: 12 Months; Other Finalists “Active ETF of the Year” 2018: TrimTabs All Cap U.S. Free-Cash-Flow ETF (TTAC), WBI BullBear Yield 1000 ETF (WBIG), WisdomTree U.S. Quality Shareholder Yield Fund (QSY); Other Finalists “ETF Suite of the Year” 2018: DWS’ Xtrackers ESG ETF suite, Global X Suite of Thematic Growth ETFs, IndexIQ’s Alternative ETF Suite, Invesco’s Smart Beta ETF Suite, WisdomTree’s Rising Rates Solutions Suite; Other Finalists “ETF Innovation” 2018: Global X MLP & Energy Infrastructure ETF (MLPX), Nationwide Maximum Diversification U.S. Core Equity ETF (MXDU, PPTY-U.S. Diversified Real Estate ETF (PPTY), Salt High trueBeta™ US Market ETF (SLT), Vesper U.S. Large Cap Short-Term Reversal Strategy ETF (UTRN), WisdomTree Interest Rate Hedged High Yield Bond Fund (HYZD) | Methodology: Ranking Entity: Fund Intelligence; Length of the period: 12 Months; Criteria on which the ranking is based: The winners are comprised of the individuals and firms who have been nominated via the online submission process and through recommendations from market participants. Judges will use the submitted application material, as well as any uploaded supplemental information, to make a determination on the firm, individual or product they believe to be the most suitable and deserving winners for each category. The Judges’ Choice Awards are adjudicated by a panel of industry experts convened by the Fund Action and Fund Directions editorial teams. The industry judges contribute the sector expertise to debate the merits of shortlist candidates to come to a decision on the winners. (Award Page: mutualfundindustryawards.awardstage.com/)

“ETF of the Year” 2017 — Other Finalists: iShares Core S&P 500 ETF (IVV), SPDR Portfolio Total Stock Market ETF (SPTM), U.S. Tax Reform Fund (TAXR), WisdomTree Emerging Markets ex-State-Owned Enterprises Fund (XSOE), Vanguard Total Bond Market ETF (BND); Ranking Entity: ETF.com; Length of the year: 12 Months

“Most Innovative ETF Issuer of the Year” 2017 — Other Finalists: Alpha Architect, EventShares, Exchange Traded Concepts, iShares by BlackRock, State Street Global Advisors; Ranking Entity: ETF.com; Length of the period: 12 Months

ETF.com Awards Page: etf.com/sections/features-and-news/and-2017-etfcom-awards-winners-are | Methodology: ETF.com Award winners are selected in a three-part process designed to leverage the insights and opinions of leaders throughout the ETF industry. Step 1: The awards process began with an open nomination period running from Dec. 4, 2017, through Jan. 2, 2018. We received hundreds of nominations from participants in all corners of the ETF space. Step 2: Following the open nominations process, the ETF.com Awards Nominating Committee—made up of senior leaders at ETF.com, inside ETFs and FactSet—voted to select up to five finalists in each category. Votes were tallied on a majority basis. The members of the 2017 Nominating Committee were: Matt Hougan, CEO, Inside ETFs (Chair); Paul Britt, Senior Analyst, FactSet; Elisabeth Kashmir, Director of ETF Research, FactSet; Dave Nadig, Managing Director, ETF.com; Drew Varos, Editor-in-Chief, ETF.com Step 3: Winners from these finalists were selected by a majority vote of the ETF.com Awards Selection Committee, a group of independent ETF experts. Committee members recused themselves from voting in any category in which they or their firms appeared as finalists. Ties were decided where possible with head-to-head runoff votes. The members of the 2017 Awards Selection Committee were: Kim Arthur, Main Management; Eric Balchunas, Bloomberg Intelligence; Ben Blaisdell, US Trust; Rob Glovnia, RiverFront; Tom Lydon, ETFtrends; Phil Mackintosh, Virtu; Tyler Mordy, Forstrong Global Asset Management; Jason Nicastro, LPL Financial; Todd Rosenbluth, CFRA; Jim Wiandt, Industry Expert. Voting was completed by Jan. 20, 2018, but results were kept secret until their announcement at the ETF.com U.S. Awards Dinner on March 22, 2018

Past performance is not indicative of future performance. The Adviser did not pay a fee to be considered for or granted the awards. The Adviser did not pay any fee to the grantor of the awards for the right to promote the Adviser’s receipt of the awards nor was the Adviser required to be a member of an organization to be eligible for the awards.