Why Invest in Next Generation Internet?

For Informational Purposes Only | As of September 30, 2023
Risks of Investing in 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, 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.

Please read risk disclosure carefully.

→ 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 Disclosure Page)

Sources: ARK Investment Management LLC, 2023.
Definitions, Risk and Disclosure Associated with Internet Innovation

Definitions:

Blockchain: A system in which a record of transactions, especially those made in a cryptocurrency, is maintained across computers that are linked in a peer-to-peer network. The goal of blockchain is to allow digital information to be recorded and distributed, but not edited. In this way, a blockchain is the foundation for immutable ledgers, or records of transactions that cannot be altered, deleted, or destroyed.

Cryptocurrency (Crypto): A digital currency designed to work as a medium of exchange through a computer network that is not reliant on any central authority, such as a government or bank, to uphold or maintain it.

Smart Contract: A computer program or a transaction protocol that is intended to automatically execute, control or document events and actions according to the terms of a contract or an agreement.

Proof-of-Stake: A cryptocurrency consensus mechanism for processing transactions and creating new blocks in a blockchain. A consensus mechanism is a method for validating entries into a distributed database and keeping the database secure. Proof of stake achieves consensus by requiring participants to stake crypto behind the new block they want to add to a cryptocurrency's blockchain. Meanwhile, proof of work achieves consensus by requiring participants to spend computational power — and electricity — in order to generate a new valid block.

Hash Rate: A measure of the computational power on a blockchain network. Hash rate is determined by how many guesses are made per second. The overall hash rate helps determine the security and mining difficulty of a blockchain network.

Decentralized Finance (DeFi): Offers financial instruments without relying on intermediaries such as brokerages, exchanges, or banks by using smart contracts on a blockchain.

Web3: An idea for a new iteration of the World Wide Web which incorporates concepts such as decentralization, blockchain technologies, and token-based economics.

Disclosure:

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. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Cryptocurrency generally operates without central authority (such as a bank) and is not backed by any government. Cryptocurrency is not legal tender. Federal, state and/or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of bitcoin and other cryptocurrencies have been subject to extreme fluctuations. 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 are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware, which may also affect the price of cryptocurrencies. Cryptocurrency Tax Risk. Many significant aspects of the U.S. federal income tax treatment of investments in bitcoin and other cryptocurrencies are uncertain and still evolving.

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.

Counterparty Risk. The other party in an investment, credit, or trading transaction may not fulfill its part of the deal and may default on the contractual obligations.
2022 Was The Year Of Generative AI

Prompted by a short text, generative AI models can produce images, code, text, audio, and video. In less than one year, dozens of generative AI projects created models that progressed from grainy images to high-quality 3D models and videos.

DALL-E 2: “An astronaut riding a horse”
Publicly available September 2022

Meta Make-A-Video
Announced September 2022

Open-Source Stable Diffusion 2.0:
Released November 2022

Sources: ARK Investment Management LLC, 2023. Bleeding Edge, data as of 01/23/23; Stability 2023; Singer, U. et al. 2022; OpenAI, data as of 01/23/23. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.
Al Is Increasing The Productivity Of Knowledge Workers

**Coding Assistants**

Software engineers completed a coding task in less than half the time with AI coding assistant GitHub Copilot.

**Generative Image Models**

According to our research, AI can create a graphic design for just $0.08** in minutes — a *di minimis* cost compared to $150 for human labor.

*Based on data from GitHub. **Generative AI models translated “a picture of an astronaut on Mars” into multiple images in just a few seconds. Sources: ARK Investment Management LLC, 2023. Kalliamvakou, E. 2022. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.
AI Is Creating Explosive Demand For Training Data

The cost to train the state-of-the-art GPT-3 in 2020 was $4.6 million. Based on our modeling, the cost of training an AI model with 57x more parameters and 720x more tokens than GPT-3 would drop from $17 billion today to $600,000 by 2030.

For perspective, Wikipedia’s 4.2 billion words today represent roughly 5.6 billion tokens. Training a model with 162 trillion words, or 216 trillion tokens, should be possible in 2030. In a world of low-cost compute, data will become the primary constraint.

[1] A token is an instance of a sequence of characters in some particular document that are grouped together as a useful semantic unit for processing. A type is the class of all tokens containing the same character sequence.

Sources: ARK Investment Management LLC, 2023; Wikipedia 2023; Hoffmann, J. et al. 2022. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.
Proprietary Data Could Create Moats

High-quality domain-specific AI training data could result in winner-takes-most outcomes across vertical applications.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Autonomous Driving</th>
<th>Software Development</th>
<th>Dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Metric</td>
<td>Recorded real-world driving miles</td>
<td>Lines of code</td>
<td>Logged conversations</td>
</tr>
<tr>
<td>Feedback Loop</td>
<td>Autonomous disengagements</td>
<td>Rejected code</td>
<td>Rephrased questions</td>
</tr>
<tr>
<td>Company Example</td>
<td>Tesla</td>
<td>Replit</td>
<td>Twilio</td>
</tr>
</tbody>
</table>

Sources: ARK Investment Management LLC, 2023. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.
CTV provides advertisers with the targeting and attribution measurement once reserved for traditional digital advertisers. Combining the advantages of linear TV and digital advertising, CTV could capture share of both brand and performance ad budgets. A meaningful disconnect exists between viewership and advertising budgets in the US. In our view, advertisers will close the gap within the next five years.

- Advertisers believe CTV ads deliver brand perception 46% more effectively than linear TV.
- Advertisers believe CTV delivers website and sales actions 57% more effectively than linear TV.

The number of CTV households is 18% higher than linear TV households... but CTV ad budgets account for only 23% of total TV ad spend.

*We view a connected TV household as any household owning at least one large-screen display that can stream over-the-top (OTT) content natively through a built-in operating system (OS), external streaming media devices, video game consoles, etc. We define a linear TV household as any household that views TV via traditional pay TV subscriptions and/or free over-the-air broadcast. A single household may both be a connected TV household and a linear TV household. Sources: ARK Investment Management LLC, 2023; IAB 2022; Insider Intelligence, data as of 01/12/23; Insider Intelligence, data as of 01/12/23; S&P Global Market Intelligence, data as of 01/25/23. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.
Short-Form Video And Recommendation Engines Are Displacing Incumbent Social Media

In 2022, TikTok and Facebook were roughly equal in engagement hours, which could mark the peak in traditional follow-and-feed social media. Despite scaling faster than other social media platforms, TikTok* accounted for only $10 billion, or 2% market share, of the estimated $470 billion spent on search, video, and social ads in 2022. Content-based social media is likely to capture advertising share more in line with its engagement hours.

### Global Hours Spent on Mobile Social Apps*

<table>
<thead>
<tr>
<th>Platform</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>1Q21</th>
<th>2Q21</th>
<th>3Q21</th>
<th>4Q21</th>
<th>1Q22</th>
<th>2Q22</th>
<th>3Q22</th>
<th>4Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>20</td>
<td>40</td>
<td>60</td>
<td>80</td>
<td>100</td>
<td>120</td>
<td>140</td>
<td>160</td>
<td>180</td>
<td>200</td>
<td>220</td>
<td>240</td>
</tr>
<tr>
<td>Instagram</td>
<td>10</td>
<td>20</td>
<td>30</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>70</td>
<td>80</td>
<td>90</td>
<td>100</td>
<td>110</td>
<td>120</td>
</tr>
<tr>
<td>TikTok</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td>Twitter</td>
<td>15</td>
<td>30</td>
<td>45</td>
<td>60</td>
<td>75</td>
<td>90</td>
<td>105</td>
<td>120</td>
<td>135</td>
<td>150</td>
<td>165</td>
<td>180</td>
</tr>
<tr>
<td>Snap</td>
<td>10</td>
<td>20</td>
<td>30</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>70</td>
<td>80</td>
<td>90</td>
<td>100</td>
<td>110</td>
<td>120</td>
</tr>
</tbody>
</table>

### Social Platform Ad Revenues*

<table>
<thead>
<tr>
<th>Platform</th>
<th>2022 $ (Billions)</th>
<th>Years Since Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook + Instagram</td>
<td>$100.00</td>
<td>0</td>
</tr>
<tr>
<td>YouTube</td>
<td>$60.00</td>
<td>1</td>
</tr>
<tr>
<td>TikTok</td>
<td>$20.00</td>
<td>2</td>
</tr>
<tr>
<td>Twitter</td>
<td>$10.00</td>
<td>3</td>
</tr>
<tr>
<td>Snap</td>
<td>$5.00</td>
<td>4</td>
</tr>
</tbody>
</table>

*Estimates for TikTok’s engagement hours do not include Douyin. Sources: ARK Investment Management LLC, 2023. Unified, data as of 01/02/23; Totsis, A. 2012; Meta Platforms, Inc., data as of 12/30/22; Arrington, M. 2007; Insider Intelligence, data as of 12/22/22; Alphabet, data as of 12/30/22; Iqbal, M. 2022; Twitter, Inc., data as of 12/30/22; Wilhelm, A. 2013; Colao, J. 2012; Snap Inc., data as of 12/30/22. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.
Contagion Wiped Out ~$1.5 Trillion In Crypto Market Capitalization In 2022

Total Crypto Market Cap In 2022

- **Bullish Event**
- **Bearish Event**

- **Crypto companies, including FTX and Crypto.com, dominate super bowl ads, a sign of irrational exuberance**
- **Ethereum passes first major test in proof-of-stake transition**
- **Lending platform Celsius declares bankruptcy**
- **Hedge fund Three Arrows Capital declares bankruptcy**
- **Bitcoin’s hash rate hits an all-time high**
- **Luna and UST collapse, marking the most damaging event in crypto market history**
- **OFAC sanctions open-source software Tornado Cash**
- **Crypto Exchange FTX declares bankruptcy**
- **Ethereum successfully transitions to proof-of-stake**
- **Crypto Exchange FTX declares bankruptcy**
- **Lending platform Blockfi declares bankruptcy**
- **Prime broker Genesis and Gemini’s Earn halt withdrawals**
- **The Fed raises rates for the first time since 2018**

**Sources:** ARK Investment Management LLC, 2023; Ponnezhath, M. et al. 2022; Choo, L. 2022; Tepper, T. 2022; TechnoPixel 2022; Sandor, K. et al. 2022; De, N. et al. 2022; Tejpaul, B. et al. 2022; US Department of the Treasury 2022; O’Neill, A. 2022; Sigalos, M. 2022; Ponciano, J. 2022; Sigalos, M. et al. 2022. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.
Despite A Severe Downturn, Public Blockchains Continue To Foster Multiple Revolutions

Public Blockchain Infrastructure

The Money Revolution
Coordination of value transfer and property rights outside the purview of centralized authorities, governments, and top-down control

- Bitcoin has settled ~$100 trillion of value in ~791 million transactions since its inception.
- Independent of price, miners continued to validate transactions, mining ~53,000 blocks and generating ~$10 billion of revenue in 2022.

The Financial Revolution
Coordination of financial services and contracts outside the purview of traditional financial institutions

- In 2022, decentralized financial services demonstrated resilience relative to their centralized counterparts in 2008-09.
- In the face of fraud, undisciplined risk, and non-transparent operators, demand for decentralized, auditable and transparent financial services is stronger than ever.

The Internet Revolution
Coordination of identity, reputation, and data outside the purview of traditional media conglomerates and big tech

- NFTs\(^1\) highlight the potential for mainstream crypto demand and could put private key cryptography in the hands of millions.
- Dozens of companies and publishers have announced web3 ambitions.

\(^1\) Non-fungible token (NFT), a unique, programmable blockchain-based digital object that proves ownership of digital assets. Sources: ARK Investment Management LLC, 2023. Glassnode, data as of 01/20/23, figures not entity-adjusted. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.
Monetary Revolution | Bitcoin’s Long-Term Opportunity Has Been Strengthening

THE PROBLEM

Centralized Monetary Systems Have Failed To Provide Strong Economic Assurances.

- > 4 billion people live under authoritarian regimes.
- > 2 billion people suffer from double-digit inflation.
- > 1 billion people cannot use traditional payment transfer apps.
- > 1 billion people rely on remittances.

THE DATA

<table>
<thead>
<tr>
<th>Bitcoin Network Stats</th>
<th>2022</th>
<th>Cumulative¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Volume ($ Trillions)</td>
<td>+$38.7</td>
<td>$105.3</td>
</tr>
<tr>
<td>Transaction Count (Millions)</td>
<td>+95.4</td>
<td>791.4</td>
</tr>
<tr>
<td>Total Addresses² (Millions)</td>
<td>+147.5</td>
<td>1,100</td>
</tr>
<tr>
<td>Addresses With A Balance (Millions)</td>
<td>+3.75</td>
<td>43.2</td>
</tr>
<tr>
<td>Miner Revenue ($ Billions)</td>
<td>+$9.5</td>
<td>$47.4</td>
</tr>
</tbody>
</table>

¹ Cumulative since inception in January 3, 2009. ² A Bitcoin address is a unique identifier that serves as a virtual location where the cryptocurrency can be sent. People can send the cryptocurrency to Bitcoin addresses similarly to the way fiat currencies can often be sent to email addresses. Sources: ARK Investment Management LLC, 2023. Kasparov, C. et al. 2017. Hall, J. 2022. The World Bank 2021. International Fund for Agricultural Development 2022. Glassnode, data as of 01/20/23, figures not entity-adjusted. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

THE REVOLUTION

Bitcoin is censorship-resistant.

The barriers to transacting on Bitcoin are low, the only requirement being possession of a private key.

Bitcoin is seizure-resistant.

Bitcoin combines elliptic curve cryptography and secure custody to ensure independent property rights.

Bitcoin is auditable and transparent.

Bitcoin decision making is transparent and decentralized. Running a full node, a user is free to validate transactions and audit supply.
Financial Revolution | Decentralized Finance Powered Through The Crypto Crisis

THE PROBLEM

- More than 2 billion people lack access to basic banking services, including account management and credit.
- The opacity of traditional financial institutions has caused catastrophic financial collapses.
- Counterparty risk among traditional financial institutions results in single points of failure, and centralized decision making enables rampant rent-seeking.

THE DATA

- ~$1.2 trillion in DeFi trading volume, up 12x from 2020 to 2022.
- ~52% increase in DeFi trading volume relative to total crypto trading volume after the FTX collapse.¹
- ~$9 trillion in on-chain stablecoin transfers,² more than card networks Mastercard, Amex, and Discover combined in 2022.
- ~$32 billion in withdrawals and nearly $1 billion in liquidations in 2022.

THE REVOLUTION

DeFi may eliminate traditional intermediaries.

Automated smart contracts guarantee execution without the need for trusted toll-takers.

DeFi is global.

Financial services deployed on open protocols enable anyone with an internet connection access to custody, trading, and lending facilities.

DeFi is interoperable.

Financial services are open-source and interoperable, allowing for rapid innovation and experimentation.

DeFi is auditable and transparent.

Users govern risk and functions, while collateralization and asset flows are open for inspection.

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¹ The FTX collapse occurred in November 2022. ² A stablecoin is a type of cryptocurrency where the value of the digital asset is supposed to be pegged to a reference asset, which is either fiat money, exchange-traded commodities, or another cryptocurrency. On-Chain refers to blockchain transactions that exist on and have been verified to the blockchain by miners or validators. On-Chain also means that transactions have been recorded to the blockchain. Sources: ARK Investment Management LLC, 2023. The World Bank 2016; The Block, data as of 01/17/23; Johnson, P. 2022. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.
Internet Revolution | The Case For Web3 Is Reaching A Tipping Point

THE PROBLEM

- The Internet relies on tech monopolies that exploit, own, and monetize user data.
- Online identity and reputation are not interoperable.
- Centralized decision makers dictate the discovery of information, subjectively moderating content and communication.

THE DATA

- 5 million unique IDs issued across the Ethereum Name Service and Unstoppable Domains.¹
- $22 billion in annual NFT² trading volume, up 15% in 2022.
- 127 million in cumulative NFT creations.³
- Major brands, including Starbucks, Adidas, Nike, Coca-Cola, and the NBA, partnering with Web3 protocols.
- Major social platforms including Instagram, Twitter, Reddit launching NFT-powered capabilities.

THE REVOLUTION

Web3 is user owned.

Web3 introduces digital property rights for the first time.

Web3 relies on protocols, not platforms.

Decentralized protocols enable the governance of—and open access to—distributed data, limiting central aggregator control.

Web3 enables new monetization paradigms.

Web3 embeds economics into software, enabling users to monetize and participate in network development.

Web3 enables the convergence between consumption and investment.

Consumer behavior is shifting as the economy becomes digitally native, enabling a new paradigm for purchasing, owning, and using goods and services.

[¹ Non-fungible token (NFT), a unique, programmable blockchain-based digital object that proves ownership of digital assets. Sources: ARK Investment Management LLC, 2023. [²] Malwa, S. 2023, Unstoppable Domains, data as of 01/16/23; CryptoSlam, data as of 01/17/23; Dune Analytics, data as of 01/17/23. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.
5 Reasons Investors Should Consider ARKW

1. **Exposure To Innovation:** Thematic multi-cap exposure to innovative internet technologies including cloud computing, big data, digital media, streaming, e-commerce, bitcoin and blockchain technologies, and the Internet of Things (IoT).

2. **Growth Potential:** Aims to capture long-term growth with low correlation of relative returns to traditional growth strategies and negative correlation to value strategies.

3. **Tool For Diversification**: Offers a tool for diversification due to little overlap with traditional indices. It can be a complement to traditional value/growth strategies.

4. **Grounded In Research:** Combines top-down and bottom-up research in its portfolio management to identify innovative companies and convergence across markets.

5. **Cost Effective:** Seeks to provide a lower cost alternative to mutual funds with true active management in an exchange traded fund (ETF) that invests in rapidly moving themes.

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[1] Diversification does not assure a profit. The information herein is general in nature and should not be considered financial advice. An investor should consult a financial professional regarding the investor’s specific situation.
ARK Next Generation Internet ETF — ARKW

The internet is transforming every sector of the economy. ARKW is focused on the disruptive innovations that are changing the way the world manages information, analyzes data, purchases goods, and communicates across the globe.

- **Ticker:** ARKW
- **Fund AUM:** $1.26 Billion
- **Typical Number of Holdings:** 35-55 U.S. Equities/U.S.-listed ADRs
- **Expense Ratio:** 0.88%

### TOP 10 HOLDINGS

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>COINBASE GLOBAL INC - CLASS A</td>
<td>8.7%</td>
</tr>
<tr>
<td>GRAYSCALE BITCOIN TRUST BTC</td>
<td>8.0%</td>
</tr>
<tr>
<td>ROKU INC</td>
<td>7.9%</td>
</tr>
<tr>
<td>ZOOM VIDEO COMMUNICATIONS - A</td>
<td>6.6%</td>
</tr>
<tr>
<td>TESLA INC</td>
<td>6.5%</td>
</tr>
<tr>
<td>UIPATH INC - CLASS A</td>
<td>5.6%</td>
</tr>
<tr>
<td>BLOCK INC</td>
<td>5.2%</td>
</tr>
<tr>
<td>UNITY SOFTWARE INC</td>
<td>4.6%</td>
</tr>
<tr>
<td>ROBINHOOD MARKETS INC - A</td>
<td>4.4%</td>
</tr>
<tr>
<td>DRAFTKINGS INC-CL A</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

**Total:** 61.7%

### PORTFOLIO COMPOSITION (%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Next Gen Cloud</td>
<td>26.9%</td>
</tr>
<tr>
<td>Intelligent Devices</td>
<td>21.7%</td>
</tr>
<tr>
<td>Cryptocurrencies</td>
<td>14.0%</td>
</tr>
<tr>
<td>Neural Networks</td>
<td>13.7%</td>
</tr>
<tr>
<td>Digital Wallets</td>
<td>10.6%</td>
</tr>
<tr>
<td>Smart Contracts</td>
<td>4.9%</td>
</tr>
<tr>
<td>Autonomous Mobility</td>
<td>4.3%</td>
</tr>
<tr>
<td>Advanced Battery Technologies</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

### MARKET CAPITALIZATION (%)

<table>
<thead>
<tr>
<th>Size Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mega ($100B+)</td>
<td>11.5%</td>
</tr>
<tr>
<td>Large ($10 - $100B)</td>
<td>51.1%</td>
</tr>
<tr>
<td>Medium ($2 - $10B)</td>
<td>23.2%</td>
</tr>
<tr>
<td>Small ($300M - $2B)</td>
<td>4.9%</td>
</tr>
<tr>
<td>Micro ($50 - $300M)</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

### SECTORS (%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>37.0%</td>
</tr>
<tr>
<td>Financials</td>
<td>20.1%</td>
</tr>
<tr>
<td>Communication Services</td>
<td>15.9%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>14.9%</td>
</tr>
<tr>
<td>Health Care</td>
<td>4.1%</td>
</tr>
</tbody>
</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. It should not be assumed that an investment in the securities identified was or will be profitable.

Source: ARK Investment Management LLC, All data as of September 30, 2023.
### Thematic Strategies Focused on Disruptive Innovation

<table>
<thead>
<tr>
<th>Thematic Strategy</th>
<th>ETF Code</th>
<th>ETF Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARKK</td>
<td>ARKK</td>
<td>ARK Innovation ETF</td>
</tr>
<tr>
<td>ARKW</td>
<td>ARKW</td>
<td>ARK Next Generation Internet ETF</td>
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<tr>
<td>ARKQ</td>
<td>ARKQ</td>
<td>ARK Autonomous Tech. &amp; Robotics ETF</td>
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<td>Israel Innovative Technology ETF</td>
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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.

Investing in securities involves risk and there's no guarantee of principal.

**Fund Risks:** The principal risks of investing in the ARKW include: **Equity Securities Risk.** The value of the equity securities the Fund holds may fall due to general market and economic conditions. **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 intangible property and the loss of patent, copyright and trademark protections may adversely affect the profitability of these companies. These companies may also be exposed to risks applicable to sectors other than the disruptive innovation theme for which they are chosen. **Disruptive Innovation Risk.** 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. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop technologies that may face political or legal attacks from competitors, industry groups or 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 not perform under the securities of other companies that are primarily focused on a particular theme.

**Cryptocurrency Risk:** Cryptocurrency (notably, bitcoin), often referred to as “virtual currency” or “digital currency,” operates as a decentralized, peer-to-peer financial exchange and store value that is used like money. The Fund may have exposure to bitcoin, a cryptocurrency, indirectly through an investment in the Bitcoin Investment Trust (“GBTC”), a privately offered, open-end investment vehicle. Cryptocurrency operates without central authority or banks and is not backed by any government. Even indirectly, cryptocurrencies may experience very high volatility and related investment vehicles like GBTC may be affected by such volatility. As a result of holding cryptocurrency, the Fund may also trade at a significant premium to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Detailed information regarding the specific risks of ARKW ETF can be found in the prospectus. Additional risks of investing in ARKW include foreign securities, market, management and non-diversification risks, as well as fluctuations in market value and NAV.

**A non-fungible token (NFT)** is a non-interchangeable unit of data stored on a blockchain, a form of digital ledger, that can be sold and traded. Types of NFT data units may be associated with digital files such as photos, videos, and audio. Because each NFT is unique and identifiable, NFTs differ from blockchain cryptocurrencies. Web3 is an idea for a new iteration of the World Wide Web based on blockchain technology, which incorporates concepts including decentralization and token-based economics.

**Non-Fungible Token (NFT) Risk:** The popularity of NFTs has also increased the chances of cyber threats to the NFT market. Plenty of cases are visible where replicas of the original NFT stores are put up on the internet. These stores look authentic because of the original logo and content. These fake NFT stores are a massive risk because they might sell NFTs not even present in the digital world. On top of that, there are chances of counterfeit NFTs being sold on a fake NFT store. Another risk is where someone is impersonating a famous NFT artist and selling fake NFTs. The risk of online fraud due to copyright theft, fake airdrops, fake NFT giveaways, and replication of popular NFTs. Another downside of NFTs are that they, like any service connected to the internet, are vulnerable to hackers and malicious code.

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

Shares of ARKW 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.

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.

For sides Fund Services, LLC, distributor.