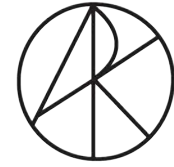


Information is as of March 31, 2018 | For Informational Purposes Only



ARK
INVEST

— WHY INVEST IN

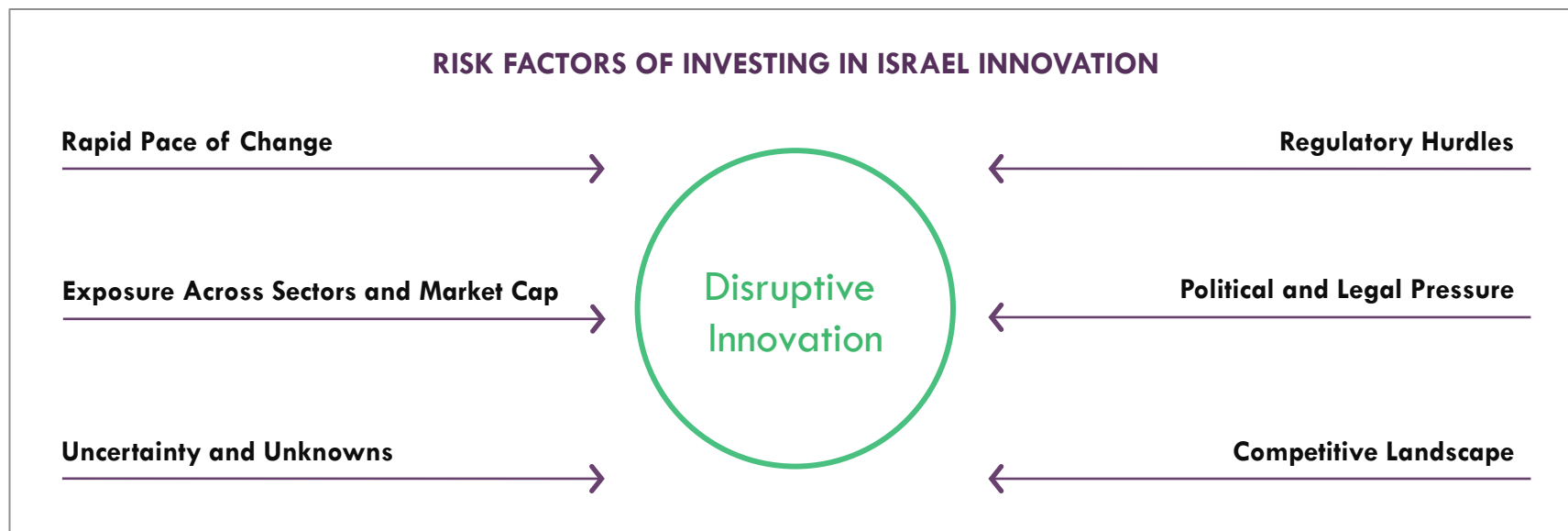
THE ISRAEL INNOVATION OPPORTUNITY (IZRL)

www.ark-funds.com



Risks of Investing in Israel 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. Innovation focused in Israel can be impacted by various factors such as being involved in major hostilities, disruption of trade partners, difficulty obtaining or enforcing a court judgment, and changes to tax law could negatively impact the growth of the sector. 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 Risk Disclosure on page 19)



ISRAEL RANKS AS ONE OF THE MOST INNOVATIVE COUNTRIES

In 2016, **Business Insider** ranked Israel the #2 Most Innovative Country.*

Bloomberg Innovation Index 2017 ranked Israel the #10 Most Innovative Country.**

The Global Competitiveness Index ranked Israel overall #2 for Innovation.***

- #3 Quality of Scientific Research Institutions
- #3 Company spending on R&D
- #4 Capacity for Innovation

*Source: Williams-Grut, Oscar. "The 15 Most Innovative Countries in the World." *Business Insider*, 18 Oct. 2016, [businessinsider.com/wef-15-most-innovative-nations-in-the-world-2016-10#t4-united-states-56-12](https://www.businessinsider.com/wef-15-most-innovative-nations-in-the-world-2016-10#t4-united-states-56-12).

**Source: Jamrisko, Michelle, and Wei Lu. "These Are the World's Most Innovative Economies." *Bloomberg.com*, 17 Jan. 2017, [bloomberg.com/news/articles/2017-01-17/sweden-gains-south-korea-reigns-as-world-s-most-innovative-economies](https://www.bloomberg.com/news/articles/2017-01-17/sweden-gains-south-korea-reigns-as-world-s-most-innovative-economies).

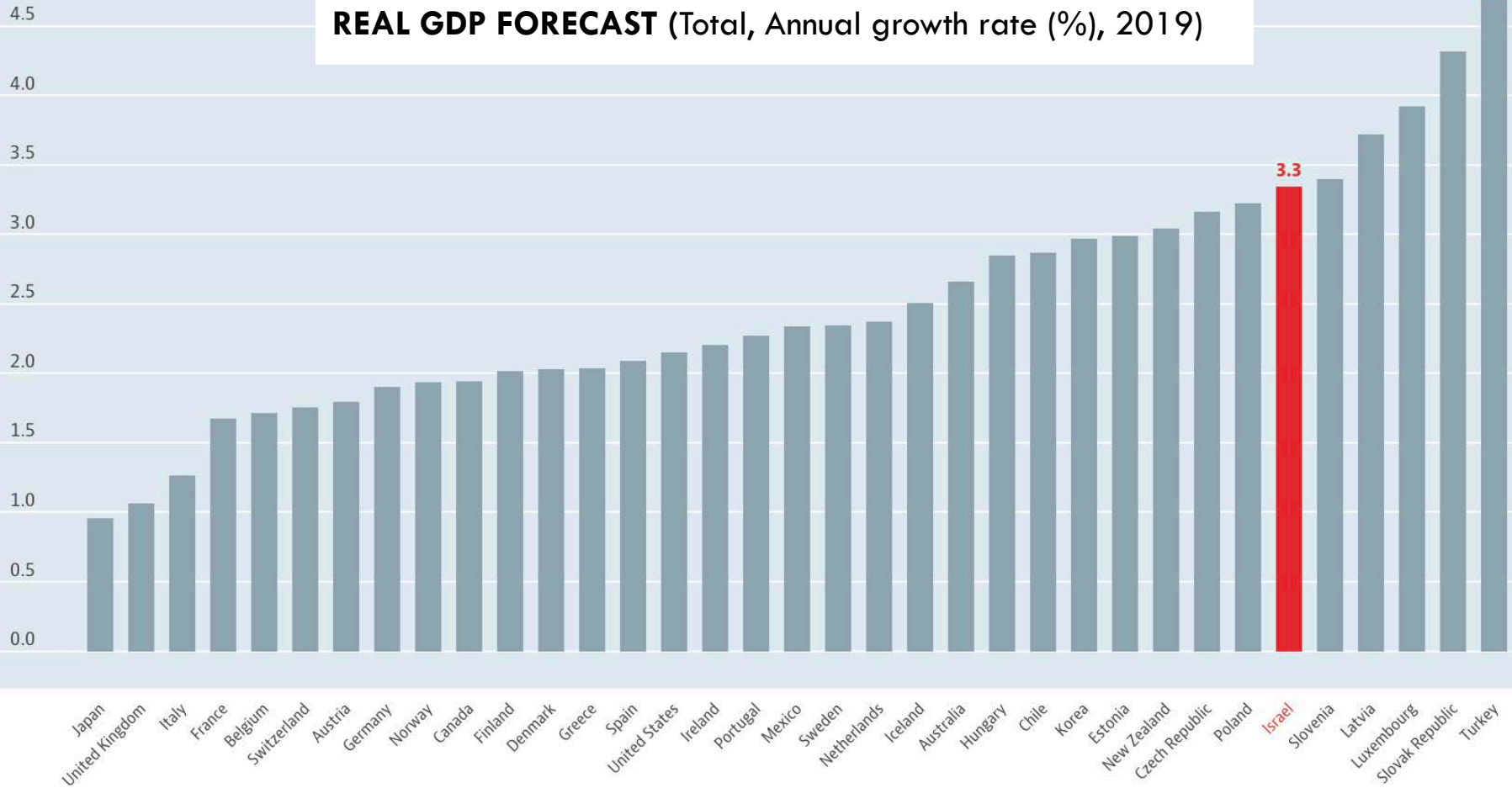
***Source: Schwab, Klaus, and Xavier Sala-i-Martin, eds. "The Global Competitiveness Report 2016–2017." *World Economic Forum*, 2016, [weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf](https://www.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf).

ISRAEL IS ONE OF THE WORLD LEADERS IN
INNOVATION AND ENTREPRENEURSHIP



ISRAEL HAS HIGH GROWTH POTENTIAL

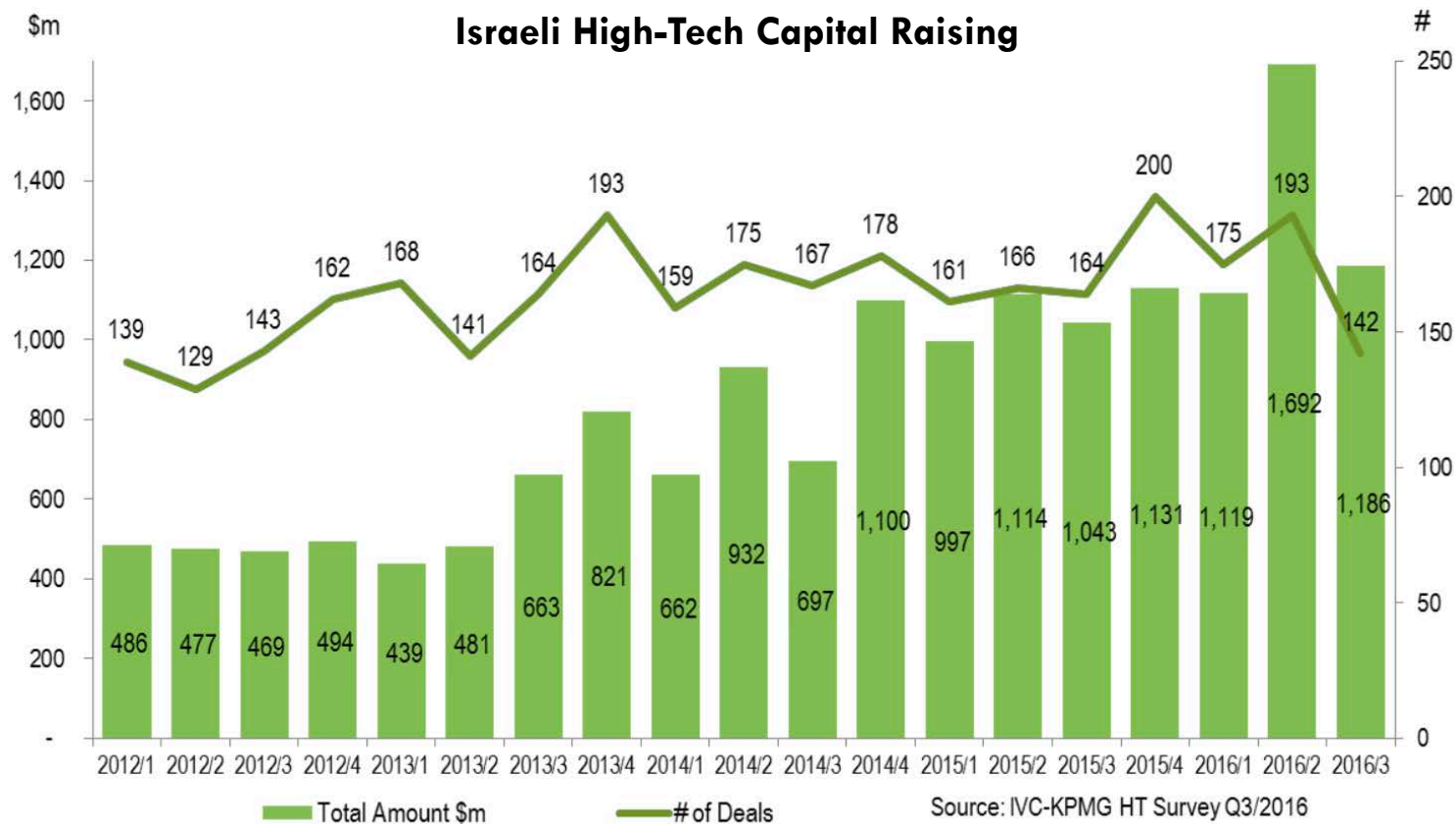
REAL GDP FORECAST (Total, Annual growth rate (%), 2019)



Source: "Real GDP Forecast." OECD Data, 2018, data.oecd.org/gdp/real-gdp-forecast.htm. Forecasts are inherently limited and cannot be relied upon.



ISRAELI CAPITAL RAISING IS STRONG



Source: "Summary of Israeli High-Tech Company Capital Raising - Q3/2016." IVC Research Center and KPMG, 2016, ivc-online.com/Portals/0/RC/Survey/IVC_Q3-16%20Capital%20Raising_Survey-Final.pdf.



INVESTORS MAY BE UNDEREXPOSED TO ISRAEL

- At the end of 2009, 13 Israeli stocks represented approximately 3.4% of the \$222 billion market cap of the MSCI Emerging Market Index.
- If Israel were to have maintained its weight in the MSCI Emerging Market Index, then by December of 2017, 3.4% would have accounted for \$427 billion in market cap.

Instead, following the “promotion” of Israel to developed market status, four Israeli companies now represent roughly 0.15%, or \$62 billion, of the MSCI World (Developed) Index market cap.*



ARK SEEKS TO CAPTURE ISRAELI INNOVATION





THE ARK ISRAEL INNOVATIVE TECHNOLOGY ETF (IZRL) TRACKS THE PERFORMANCE OF THE ARK ISRAELI INNOVATION INDEX (IZRLINVN)

The ARK Israeli Innovation Index is designed to track the price movements of exchange listed companies that are incorporated and/or domiciled in Israel and whose main business operations are causing disruptive innovation in the areas of genomics, health care, biotechnology, industrials, manufacturing, the Internet, or information technology.

Index Details

- Index: ARK Israeli Innovation Index
- Weighting Method: Equal Weight
- Rebalance: Quarterly
- Index Calculator: Solactive AG



THE ARK ISRAELI INNOVATION INDEX SEEKS TO CAPTURE INNOVATIVE COMPANIES ACROSS MULTIPLE SECTORS OF THE ECONOMY

The chart below reflects the GICS sector weights relative to the ARK Israeli Innovation Index.

Sector	ARK Israeli Innovation Index	MSCI Israel Capped Index
Health Care	20.20%	-4.42%
Financials	0.00%	23.69%
Information Technology	51.77%	-24.76%
Telecommunication Services	12.39%	-7.73%
Materials	0.00%	6.02%
Industrials	15.19%	-9.67%
Energy	0.00%	3.55%
Consumer Staples	0.00%	1.92%
Consumer Discretionary	0.00%	1.55%
Utilities	0.00%	0.47%



THE ARK ISRAEL INNOVATIVE TECHNOLOGY ETF (IZRL) HAS AN ATTRACTIVE MANAGEMENT FEE

IZRL seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the ARK Israeli Innovation Index.

Index	Security Ticker	ETF Expense Ratio
ARK ISRAELI INNOVATION INDEX	IZRLINVN	0.49%



THE ARK ISRAEL INNOVATIVE TECHNOLOGY ETF (IZRL)

- Ticker: IZRL
- Assets Under Management: \$23 Million
- Number of Holdings: 43
- Expense Ratio: 0.49%

- Average Market Cap: \$2 Billion
- Median Market Cap: \$575 Million

TOP 10 HOLDINGS

	Weight
SOLAREEDGE TECHNOLOGIES INC	3.7%
COMPUGEN LTD	3.5%
WIX.COM LTD	3.4%
CERAGON NETWORKS LTD	3.1%
CYBERARK SOFTWARE LTD/ISRAEL	3.1%
UROGEN PHARMA LTD	2.9%
ORBOTECH LTD	2.9%
MELLANOX TECHNOLOGIES LTD	2.8%
RADWARE LTD	2.7%
GILAT SATELLITE NETWORKS LTD	2.6%

Holdings are subject to change and should not be considered as investment advice, or a recommendation to buy, sell or hold any particular security. One cannot invest directly in an index.

30.8%

SECTORS

Information Technology	53.5%
Health Care	22.3%
Industrials	12.1%
Telecommunication Services	10.7%
Not Classified	1.4%

MARKET CAPITALIZATION

Mega (100 B+)	0.0%
Large (10-100 B)	4.5%
Medium (2-10 B)	23.9%
Small (300M-2B)	31.4%
Micro (50-300M)	38.8%



WHY INVESTORS SHOULD CONSIDER THE ARK ISRAEL INNOVATIVE TECHNOLOGY ETF (IZRL)

- 1. Targeted Exposure to Innovation:** ARK believes Israel is a world leader in the development of innovative products and services with companies that are advancing scientific research and enhancing many sectors of the global economy. Ranked highly in the world for technological advancements and entrepreneurship, and responsible for
- 2. Growth Potential:** The Fund aims to provide investment results that closely correspond to the performance of the ARK Israeli Innovation Index (IZRLINVN), which is designed to track companies whose main business operations are causing disruptive innovation and aiming for new growth.

Following its promotion to developed market status, ARK believes many portfolios may underweight Israel relative to growth and innovation projections as it represents only 0.15% of the MSCI World Index.



WHAT ARE THE RULES OF THE INDEX?





WHAT ARE THE RULES OF THE INDEX?

MARKET-CAP WEIGHTED VS EQUAL WEIGHTED INDEX

A market-cap weighted index has the tendency to be biased towards large caps, concentration, and momentum. Equal-weight methodology can correct an intrinsic “buy-high-sell-low” trading flaw of some market-cap indices.

CHARACTERISTICS OF AN EQUAL-WEIGHT INDEX:*

- When rebalancing, an equal-weight index sells what has been bid up and buys more of what has been left behind. Therefore, an equal-weight index typically tends to be cheaper than a market-cap weighted index measured by lower price/earnings, sales, book or cash flow.
- An equal-weight index tends to have exposure farther down the market cap spectrum.
- An equal-weight index tends to be less prone to inadvertent concentration. If a sector or stock becomes popular, its weight in a cap weighted index automatically grows, even if its business prospects or fundamental attractiveness do not.

EXAMPLES:

Standard and Poor’s researchers place the advantage of Equal-Weighted S&P 500 around 180 basis points per year over the Market-Cap Weighted S&P 500 for the past 90 years.*

Switzerland is another example, where an index focused on one country may look very different based it’s methodology. A Market-cap weighted index results in a strong dependence on just three companies (Novartis, Nestle, and Roche).**

*Source: Rose, Brian. "Investment Strategy Insights." UBS, 2015, ubs.com/content/dam/WealthManagementAmericas/documents/investment-strategy-insights-2015-05-15-equal-weighted-investing.pdf.

**Source: "Swiss Equal-Weight." UBS KeyInvest, 2015, keyinvest-ch-en.ubs.com/filedb/deliver/xuuid/10014a59ac122d6144b683d7f4b4501cd5c6/name/UBS_Solactive_Swiss%20Equal-Weight_CH_EN_02112015.pdf.



ARK's THEMATIC STRATEGIES FOCUS ON INNOVATIONS WITH THE HIGHEST GROWTH POTENTIAL



ARK Disruptive Innovation^{1,2}

- ETF (ARKK)
- SMA
- Mutual Fund (Inst: ADNIX; Investor: ADNPX)



3D Printing

- ETF (PRNT)
- SMA



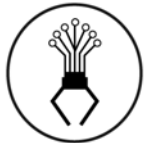
Next Generation Internet³

- ETF (ARKW)
- SMA



Israel Innovative Technology

- ETF (IZRL)
- SMA



Industrial Innovation

- ETF (ARKQ)
- SMA



Genomic Revolution

- ETF (ARKG)
- SMA
- UIT



(1) "ETF of the Year" (2017) +

(2) "Active ETF of the Year" (2017) ++

(3) "ETF Innovative Product of the Year" (2016)+++

www.ark-funds.com



ARK
INVEST

ETFs

**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

ARK Invest

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New York, NY 10011

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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 ARK's Index ETFs include equity, market, concentration and non-diversification risks, as well as fluctuations in market value and net asset value ("NAV"). The principal risks of investing in IZRL: **Equity Securities Risk.** The value of the equity securities the Fund holds may fall due to general market and economic conditions. **Israeli Securities Risk.** Because the Fund invests in securities of Israeli Companies, the Fund may be exposed to special risks and considerations. There may be less information concerning the securities of Israeli Companies available to the public than the securities of U.S. companies. There is also potential difficulty in obtaining or enforcing a court judgment, and the unique characteristics of securities of Israeli Companies and the Israel stock market may have a negative impact on the Fund. Any major hostilities involving Israel, including hostilities with neighboring countries, or the interruption or curtailment of trade between Israel and its present trading partners, could have a negative impact on the Fund. **Index Tracking Risk.** The returns of the ETF may not match the returns of the underlying index that the ETF is designed to track. **Information Technology Sector Risk.** Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. **Innovative Technology Risk.** Companies that are developing innovative technologies may not be able to capitalize on the technology and may face political or legal attacks from competitors, industry groups or local and national governments. Detailed information regarding the specific risks of IZRL ETF can be found in the prospectus.

IZRL 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 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.

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.

Index Descriptions: The MSCI Israel Capped Investable Market Index is a free float-adjusted market capitalization index designed to measure broad-based equity market performance in Israel. A capping methodology is applied that limits the weight of any single component to a maximum of 25% of the Underlying Index. Additionally, the sum of components that individually constitute more than 5% of the weight of the Underlying Index cannot exceed a maximum of 50% of the weight of the Underlying index in aggregate. The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. With 846 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Index Descriptions: The ARK Israeli Innovation Index is designed to track the price movements of exchange listed companies that are incorporated and/or domiciled in Israel whose main business operations are causing disruptive innovation in the areas of genomics, health care, biotechnology, industrials, manufacturing, the Internet or information technology. The MSCI World Index represents large and mid-cap equity performance across 23 developed markets countries. Returns shown for the MSCI World Index are net of foreign withholding taxes applicable to U.S. investors. Securities in the ETF's portfolio will not match those in any index. You cannot invest directly in an index. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index's returns. Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction.

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.

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

Foreside Fund Services, LLC, distributor.

Award Information:

"ETF Innovative Product of the Year" — 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:)

"Active ETF of the Year" — Number of Nominees: Unknown. 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 their sector expertise to debate the merits of shortlist candidates to come to a decision on the winners. ()

"ETF of the Year" — 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 period: 12 Months

ETF.com Awards Page:

| 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 Kashner, Director of ETF Research, FactSet; Dave Nadig, Managing Director, ETF.com; Drew Voros, 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 Glowonia, RiverFront; Tom Lydon, ETFrends; 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 (Award Page: etf.com/sections/features-and-news/and-2017-etfcom-awards-winners-are)