

# AltShares Merger Arbitrage ETF (Ticker: ARB)

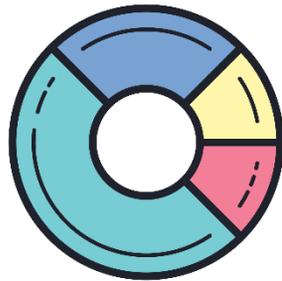
## A Prudent Approach to Merger Arbitrage



Since inception, **AltShares Merger Arbitrage ETF** (ticker: ARB) has generated consistent absolute returns over trailing 12-month periods, with lower volatility than broader equity markets, in line with what we believe an investor should expect of a strategy that is focused on definitive, publicly announced mergers and acquisitions. While the past cannot predict the future, this return experience illustrates our belief that **slow and steady wins the race**.

### How has ARB been able to generate consistent, low volatility absolute returns?

#### Appropriate Position Sizing



Our approach sizes positions based not just on liquidity, but on several additional risk factors – most importantly, **potential downside risk in the event of a deal failure**.

#### Proper Deal-Level Hedging



When warranted, we implement **short positions in the acquiring company** at the ratio called for in the merger agreement. We believe to do otherwise – such as simply hedging broad sector- or market-level exposures – would not sufficiently mitigate risk.

#### Mitigating Foreign Currency Risk



Foreign currencies can often exhibit volatile behavior relative to the US dollar. Therefore, we seek to **hedge all non-US dollar exposure** in the deals in which we invest.

AltShares Merger Arbitrage ETF is a non-diversified, passively managed ETF which seeks to provide investment results that correspond, before fees and expenses, to the performance of the fund's underlying index, Water Island Merger Arbitrage USD Hedged Index ("WIMARBH"). The index is designed to reflect a pure-play, global merger arbitrage strategy investing in definitive, publicly announced mergers and acquisitions. Information regarding the index is available at <http://waterislandcapital.com/indices>. Indexes are unmanaged and one cannot invest directly in an index.

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**AltShares Investment Philosophy:** We believe strong long-term performance is best achieved through the compounding of consistent returns and the avoidance of major losses.

**ARB: Growth of \$10,000 Since Inception**



Source: Water Island Capital, Morningstar. Date range: 5/6/2020-9/30/2021.

Trailing Returns (%)	1 Yr	Since Inception
ARB at NAV	4.21	4.25
ARB at Market Price	4.05	4.19
WIMARBH (Benchmark)	5.45	5.64

As of September 30, 2021. **Performance quoted represents past performance and does not guarantee future results.** Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. For performance current to the most recent month end, visit <http://altsharesetfs.com> or call (855) 955-1607. Total Annual Fund Operating Expense for the fund is 0.87%.

Inception: May 7, 2020. Returns greater than one year are annualized. Net asset value (NAV) represents the value of each share's portion of the fund's underlying net assets (including cash) at the end of the trading day. Market price represents the mid-point between the highest bid and the lowest offer on the listing exchange, as of the time that the fund's NAV is calculated (usually 4:00 pm Eastern time).

**GLOSSARY: Short** refers to a position in a security that was sold without being owned. **Liquidity** refers to the frequency with which a security can be bought or sold.

**Investors should carefully consider the fund's investment objectives, risks, and expenses before investing. To obtain a prospectus containing this and other important information, visit <http://altsharesetfs.com> or call (855) 955-1607. Read the prospectus carefully before investing.**

**RISKS:** Investments are subject to risk, including possible loss of principal. There can be no assurance the fund will achieve its investment objectives. The fund uses investment techniques and strategies with risks that are different from the risks ordinarily associated with equity investments. Such risks include merger arbitrage risk (in that the proposed reorganizations in which the fund invests may be renegotiated or terminated, in which case the fund may realize losses); passive investment risk; short position risk; concentration risk; high portfolio turnover risk (which may increase the fund's brokerage costs, which would reduce performance); equity risk; foreign securities risk (in that the securities of foreign issuers may be less liquid and more volatile than securities of comparable US issuers, and may be subject to political uncertainty and currency fluctuations); market risk; derivatives risk; hedging risk; large shareholder transaction risk; counterparty risk; swap risk; ETF risks (which include premium-discount risk, secondary market trading risk, cash transactions risk, international closed market trading risk, flash crash risk, and authorized participants concentration risk); investment company and ETF risk; small and medium capitalization securities risk; currency risk; non-diversified fund risk; and tracking error risk. Risks may increase volatility and may increase costs and lower performance.

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