

# TrimTabs Quarterly Webinar

Ted Theodore, CFA  
CIO/ Portfolio Manager

Janet Flanders Johnston, CFA  
Portfolio Manager

April 17th, 2019



**TRIMTABS**  
Asset Management

*Smart Alpha Delivered*

# Goals for Today's Webinar

- Macro Overview
- Free Cash Flow Research Update
- TrimTabs Portfolio Layers
- Under the Radar: Global Consumer Trend
- Performance Review for Q1 2019
- Q&A

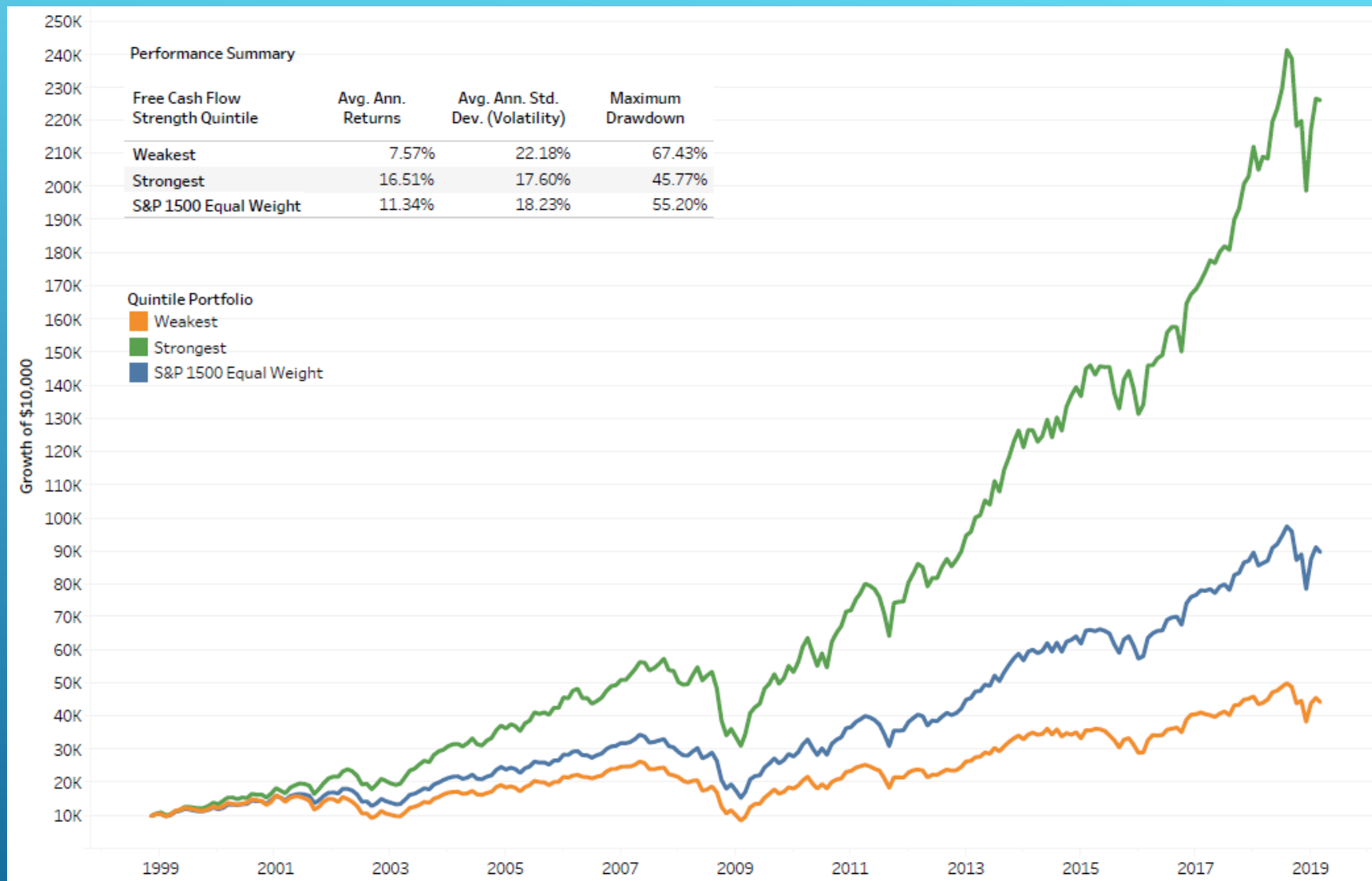
# Investment Elements: What is Driving Equity Markets?

- Federal Reserve Policy (“Pause”)
- Europe (Brexit)
- China (Trade)

# Cumulative Growth of \$10K - Strongest vs Weakest Based on Free Cash Flow Strength Quintile S&P 1500 Universe, 11/30/1998 to 03/31/2019

Free Cash Flow Strength is a proprietary indicator developed by TrimTabs Asset Management to measure a company's free cash flow conditions.

The hypothetical portfolios are constructed in an equally weighted, monthly rebalanced approach. They do not represent actual fund or portfolio performance.

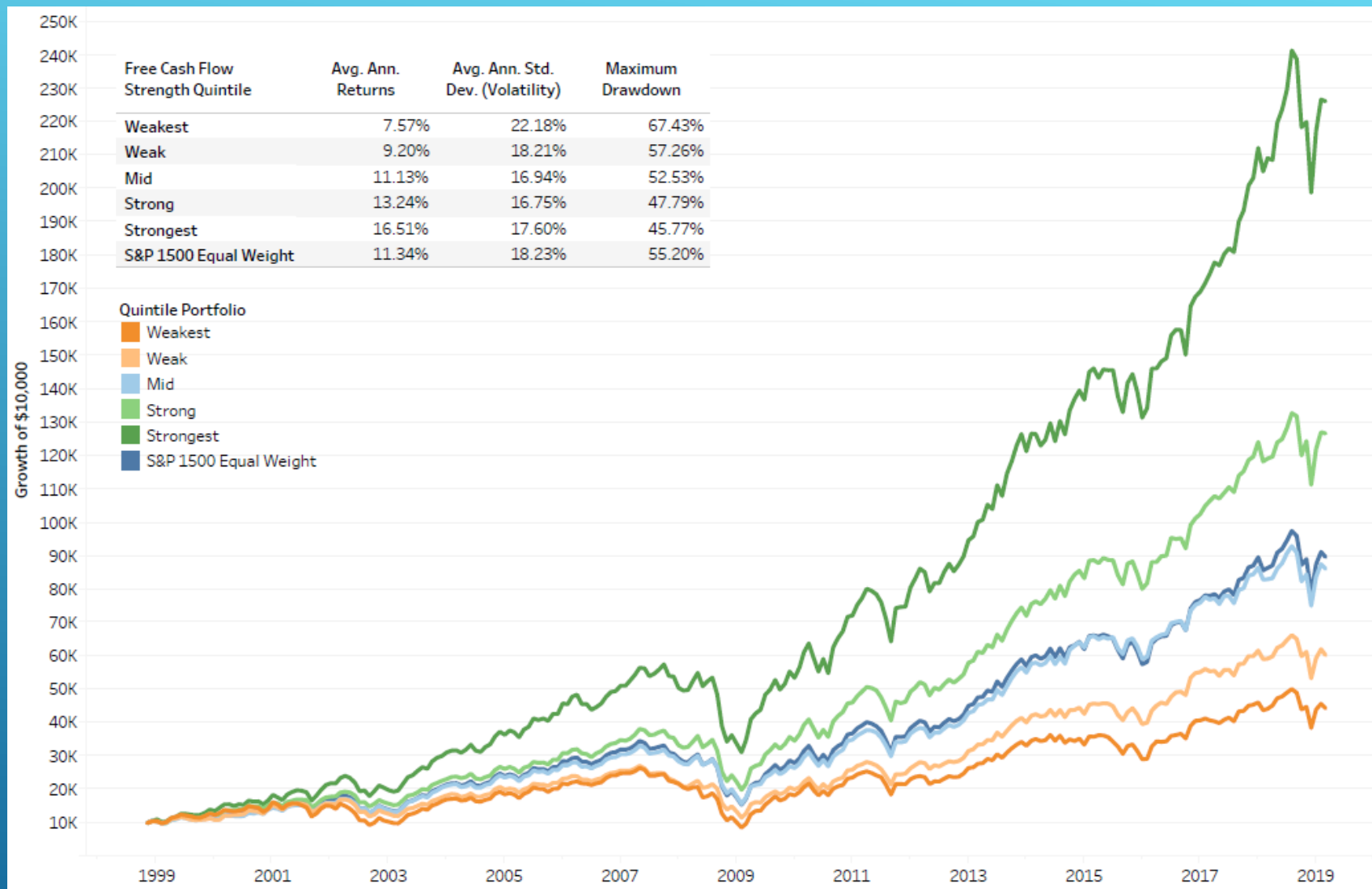


# Cumulative Growth of \$10K based on relative Free Cash Flow Strength Quintiles

S&P 1500 Universe, 11/30/1998 to 03/31/2019

Free Cash Flow Strength is a proprietary indicator developed by TrimTabs Asset Management to measure a company's free cash flow conditions.

The hypothetical portfolios are constructed in an equally weighted, monthly rebalanced approach. They do not represent actual fund or portfolio performance.

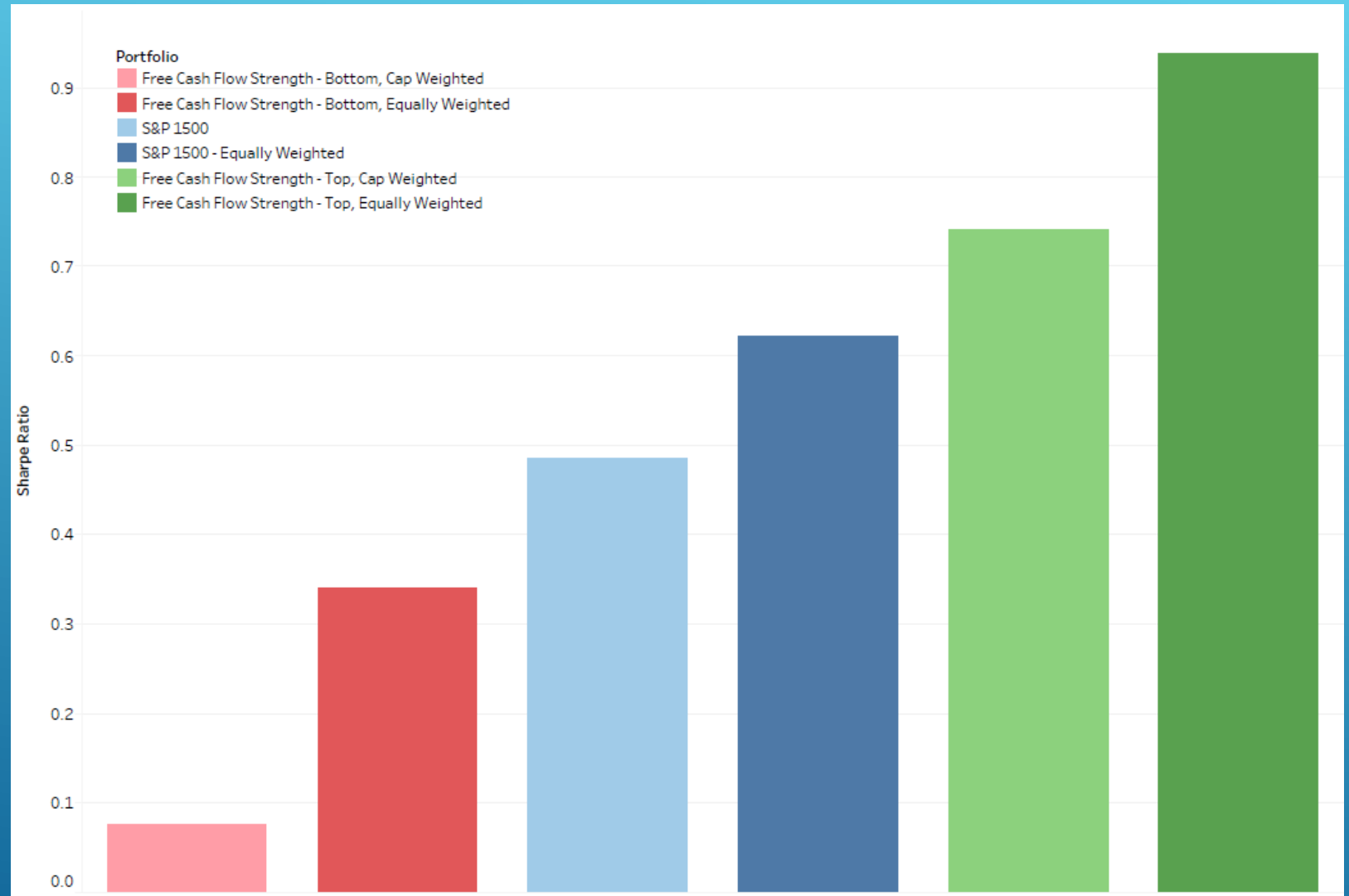


# Risk Adjusted Return (Sharpe Ratio) - Equally Weighted and Cap Weighted Quintile Portfolio by Free Cash Flow Strength

S&P 1500 Universe, 11/30/1998 to 03/31/2019

Free Cash Flow Strength is a proprietary indicator developed by TrimTabs Asset Management to measure a company's free cash flow conditions.

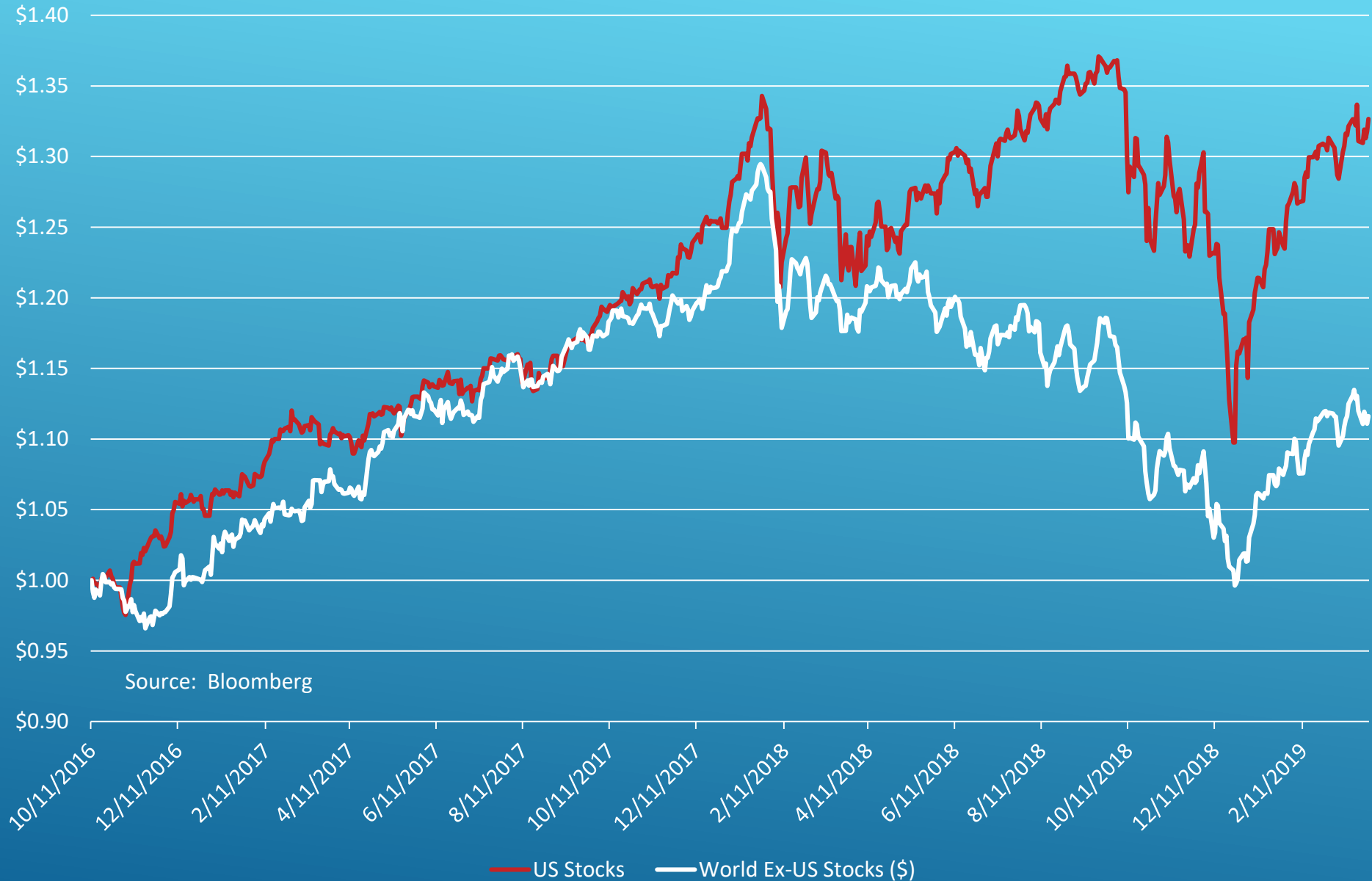
The hypothetical portfolios are constructed in an equally weighted, monthly rebalanced approach. They do not represent actual fund or portfolio performance.



# Portfolio Layers

- Free-Cash-Flow Growth + Strong Balance Sheets =  
*High Quality*
- Strong Balance Sheets + Share Count Reduction =  
*Organic Growth*
- Discipline + Seasoned Active Management =  
*Smart Alpha*

# Growth of \$1: US Stocks and World Ex-US Stocks

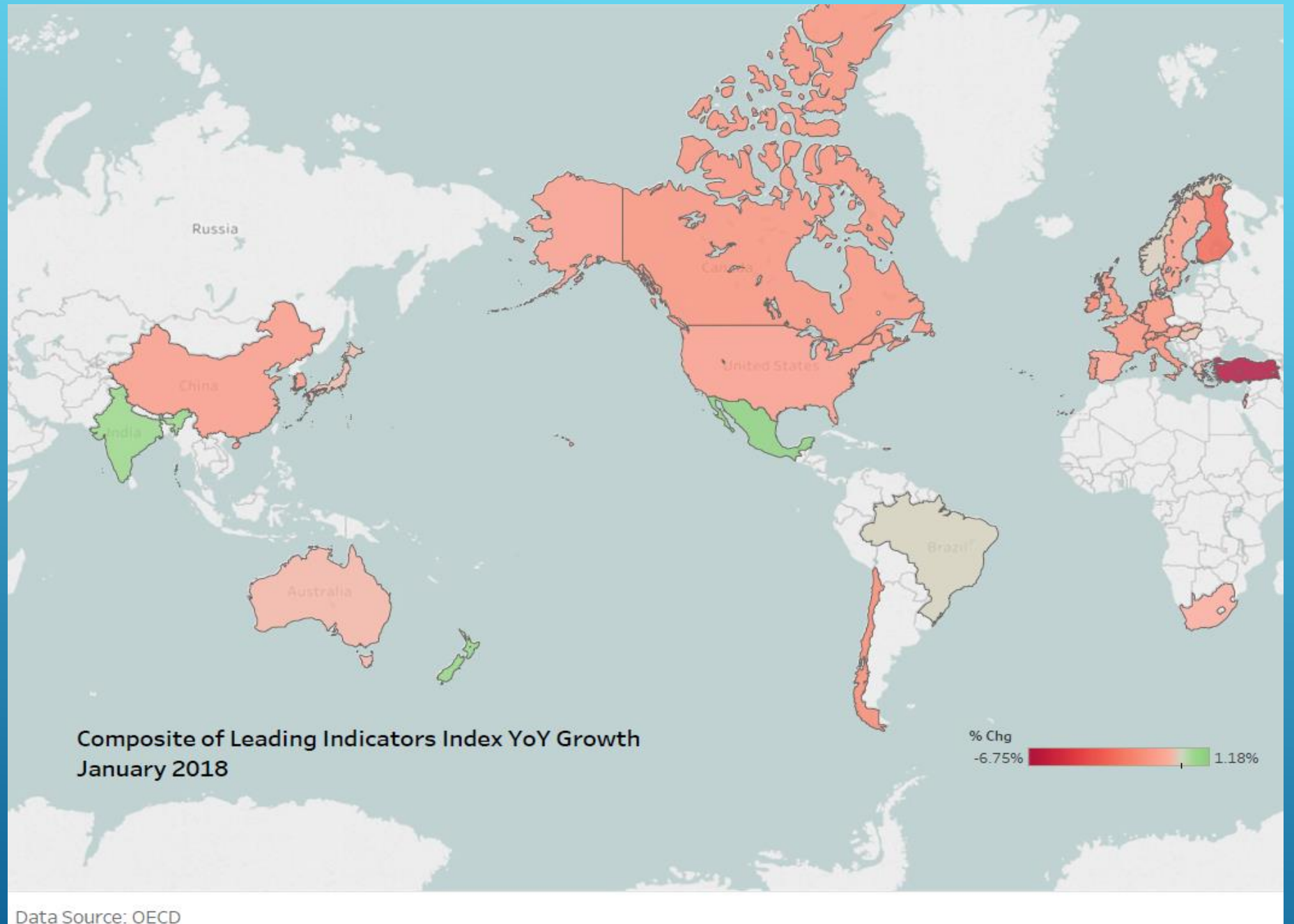


\*Please refer to the important disclosures on the last two pages of the slideshow

Source: Bloomberg



\*Please refer to the important disclosures on the last two pages of the slideshow



# Consumer Trends

- US unemployment at historically low levels
- Rising wages in the US
- Continued high levels of consumer confidence
- More cash in hand due to refinancing
- Best US consumer balance sheets in 40 years
- Chinese consumer continues to be a strong buyer of global brands

# Consumer Plays

## TTAC

- Amazon (AMZN)
- Nike Inc. (NKE)
- Estee Lauder (EL)
- Starbucks (SBUX)
- LuLulemon (LULU)
- Yum China (YUMC)

## TTAI

- Alibaba (BABA)
- Oriental Land (4661 JP)
- Adidas (ADS GR)
- Diageo PLC (DEO US)
- Kering (KER FP)
- Fast Retailing Co. (9983 JP)
- LuLulemon (LULU)
- Yum China (YUMC)

# Standardized Performance

## Quarter End Performance (%) (As of 3/31/2019)

	Quarter	1 Year	2 Year	Annualized Since Inception 9/27/2016 - 3/31/2019
<b>TTAC NAV</b>	<b>12.89</b>	<b>4.10</b>	<b>12.16</b>	<b>15.62</b>
<b>TTAC Market Price</b>	<b>12.91</b>	<b>3.47</b>	<b>11.97</b>	<b>15.53</b>
<b>Russell 3000 TR USD</b>	<b>14.04</b>	<b>8.77</b>	<b>11.26</b>	<b>13.38</b>

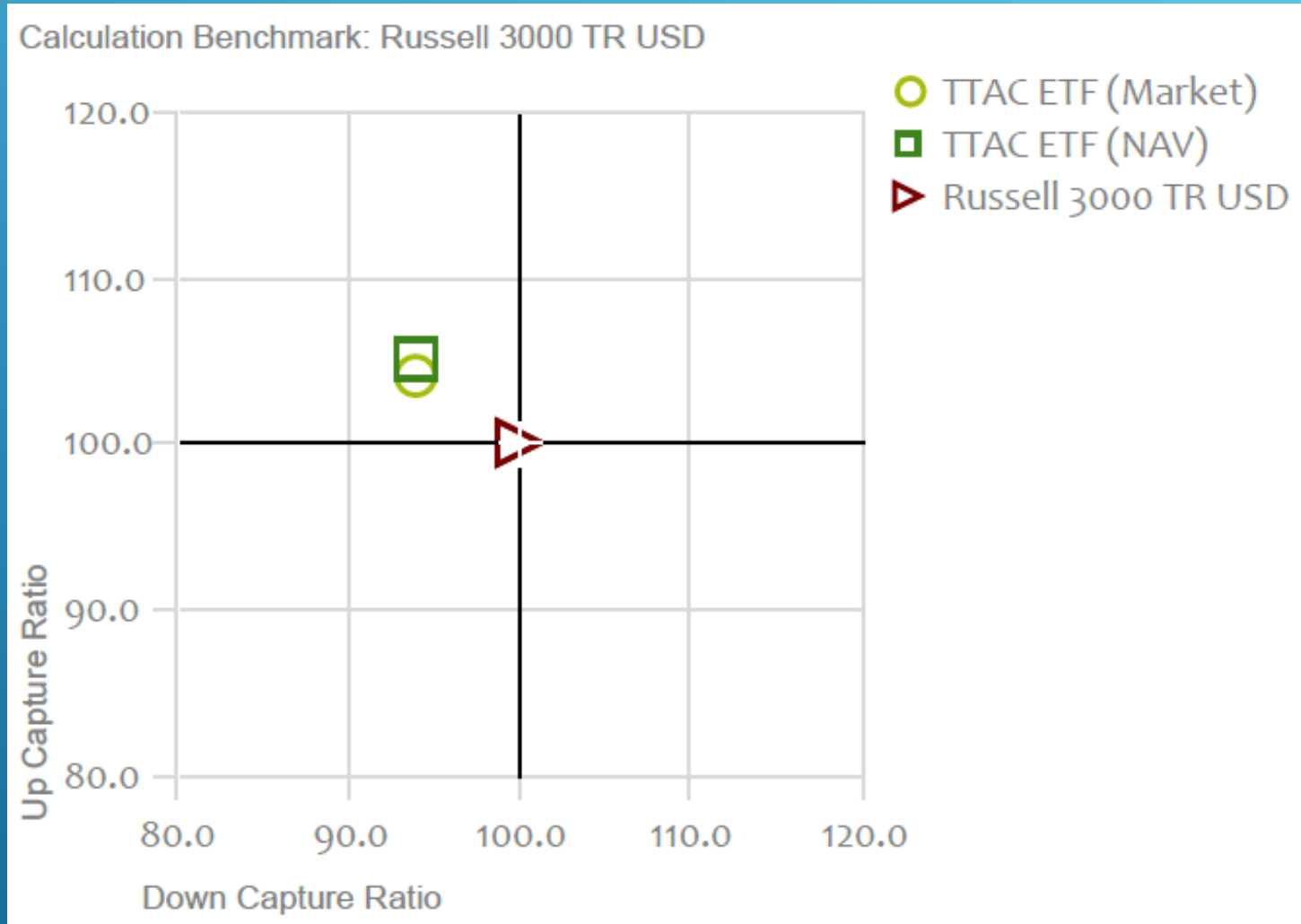
Gross Expense Ratio 0.59%

	Quarter	1 Year	2 Year	Annualized Since Inception 6/27/2017 - 3/31/2019
<b>TTAI NAV</b>	<b>11.54</b>	<b>-5.30</b>	<b>N/A</b>	<b>0.20</b>
<b>TTAI Market Price</b>	<b>12.43</b>	<b>-5.85</b>	<b>N/A</b>	<b>0.59</b>
<b>S&amp;P Developed Ex US BMI</b>	<b>10.17</b>	<b>-4.60</b>	<b>10.27</b>	<b>3.62</b>

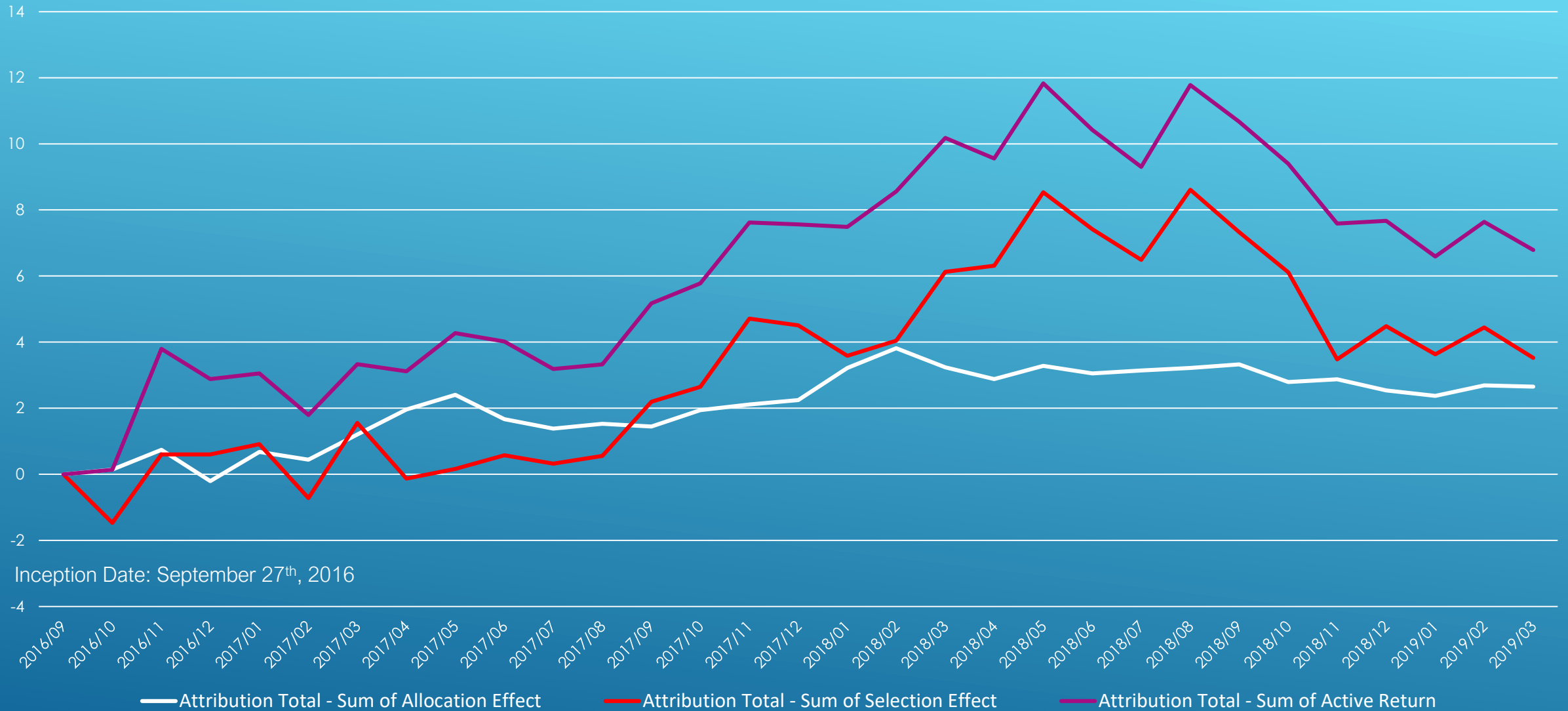
Gross Expense Ratio 0.59%

*The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance current to the most recent month-end can be obtained by calling (toll free 800-617-0004). Because the Fund is an ETF (rather than a mutual fund), shares are bought and sold at market price (not NAV), may trade at a discount or premium to NAV, and are not individually redeemable.*

# TrimTabs All Cap US Free Cash Flow ETF (TTAC) Upside – Downside Capture



# TTAC Cumulative Attribution



# TrimTabs All Cap US Free-Cash-Flow ETF (TTAC)

Inception Date: September 27<sup>th</sup>, 2016

TTAC: ~\$130 million AUM (as of 3/31/19)

- **TTAC \$AUM increased by 185% in 2018**
- TTAC \$AUM at \$39 million at year-end 2017, \$AUM \$111 million as of year end 2018
- TTAC continues to experience asset growth across all channels, including independent RIAs and large regional B/Ds

# TrimTabs All Cap International Free-Cash-Flow ETF (TTAI)

Inception Date: June 28<sup>th</sup>, 2017

TTAI: ~\$12 million AUM

**TTAI seeks to generate long-term returns in excess of the S&P Developed EX US BMI Index. Through quantitative analysis and active management, TTAI seeks to identify companies that are:**

- Generating strong free cash flow
- Reducing share count
- Maintaining high quality balance sheets

For the first quarter of 2019, TTAI was up 11.54% (NAV) and 12.43% (MKT), versus a gain of 10.17% for the S&P Ex US Index.

**Investable universe includes all developed countries outside of the United States (Europe, Far East, Asia + Canada)**

**TTAI follows a similar investment methodology of TTAC, adjusted for foreign market dynamics**



# Contact Us

Alan Rubenfeld  
Director of Sales  
+1 (212) 217-2514  
[alan.rubenfeld@trimtabsfunds.com](mailto:alan.rubenfeld@trimtabsfunds.com)

Derin Cohen  
VP, Marketing and Operations  
[derin.cohen@trimtabsfunds.com](mailto:derin.cohen@trimtabsfunds.com)

Follow us on Twitter: [@trimtabsadvisor](https://twitter.com/trimtabsadvisor)

Follow us on LinkedIn: [TrimTabs Asset Management](https://www.linkedin.com/company/trimtabs)

## Disclosures

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 1-800-617-0004. Read it carefully before investing.*

**There is no guarantee that TTAI and TTAC will achieve their investment objectives. Investing involves risk, including the possible loss of principal. Because the Fund is an ETF (rather than a mutual fund), shares are bought and sold at market price (not NAV), may trade at a discount or premium to NAV, and are not individually redeemable. Owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Unit aggregations only, consisting of 25,000 shares. Brokerage commissions will reduce returns. Investments in the Fund include risks associated with small-and mid-cap securities, which involve limited liquidity and greater volatility than large-cap securities. Returns on investments in foreign securities could be more volatile than investments in domestic securities.**

*Confidentiality Notice: This email, including attachments, may include non-public, proprietary, confidential or legally privileged information. If you are not an intended recipient or an authorized agent of an intended recipient, you are hereby notified that any dissemination, distribution or copying of the information contained in or transmitted with this e-mail is unauthorized and strictly prohibited. If you have received this email in error, please notify the sender by replying to this message and permanently delete this e-mail, its attachments, and any copies of it immediately. You should not retain, copy or use this e-mail or any attachment for any purpose, nor disclose all or any part of the contents to any other person. This correspondence does not represent either an offer to buy or sell securities.*

Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

Free Cash Flow (FCF) represents the cash that a company is able to generate after accounting for capital expenditures.

The price/earnings ratio (often shortened to the P/E ratio or the PER) is the ratio of a company's stock price to the company's earnings per share.

The Standard & Poor's 500, often abbreviated as the S&P 500, or just the S&P, is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ.

Standard Deviation is a measure that is used to quantify the amount of variation or dispersion of a set of data values.

Alpha is a measure of performance on a risk-adjusted basis.

Capture ratio helps you to identify robustness of the mutual fund across different phases of market rally and slump.

*Smart Alpha Delivered*

## Disclosures

*The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance current to the most recent month-end can be obtained by calling (toll free 800-617-0004).*

*References to other funds should not be interpreted as an offer of these securities.*

***Principal loss is possible. TTAC and TTAI are distributed by Quasar Distributors, LLC.***

The Russell 3000<sup>®</sup> Index measures the performance of the 3,000 largest publicly traded U.S. companies, based on market capitalization. The Index measures the performance of approximately 98% of the total market capitalization of the publicly traded U.S. equity market. It is not possible to invest directly in an index.

The S&P Developed Ex-U.S. BMI Index is a market capitalization weighted index that defines and measures the investable universe of publicly traded companies domiciled in developed countries outside the U.S. The Developed Index is float adjusted, meaning that only those shares publicly available to investors are included in the Developed Index calculation.

The equity universe is constructed using securities in the S&P 1500 Composite by excluding financials companies. Financials companies are defined as companies in the following FactSet RBICS Industries: Investment Services, Insurance, Banking, Financially Operative Institutions, Real Estate.

## Morningstar Categories

*The Morningstar Large Growth Index measures the performance of large-cap stocks that are expected to grow at a faster pace than the rest of the market as measured by forward earnings, historical earnings, book value, cash flow and sales.*

Large-blend portfolios are fairly representative of the overall U.S. stock market in size, growth rates, and price. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of U.S. industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500 Index.

The Morningstar Large Value Index measures the performance of large-cap stocks with relatively low prices given anticipated per-share earnings, book value, cash flow, sales and dividends.

The Morningstar Mid Growth Index measures the performance of mid-cap stocks that are expected to grow at a faster pace than the rest of the market as measured by forward earnings, historical earnings, book value, cash flow and sales.

The Morningstar Mid Value Index measures the performance of mid-cap stocks with relatively low prices given the anticipated per-share earnings, book value, cash flow, sales and dividends.

The Morningstar Mid Cap Index tracks the performance of U.S. mid-cap stocks that fall between 70th and 90th percentile in market capitalization of the investable universe.

### TTAC Top 10 Holdings

Ticker	Security Description	% of Net Assets
FTNT	FORTINET INC	1.41
ILMN	ILLUMINA INC	1.41
MTCH	MATCH GROUP INC	1.38
NSP	INSPERITY INC	1.35
ULTA	ULTA BEAUTY INC	1.33
AZPN	ASPEN TECHNOLOGY INC	1.31
DECK	DECKERS OUTDOOR CORP	1.31
ZTS	ZOETIS INC	1.30
MSCI	MSCI INC	1.29
NSC	NORFOLK SOUTHERN CORP	1.26

### TTAI Top 10 Holdings

Ticker	Security Description	% of Net Assets
EWY	ISHARES INC MSCI STH KOR ETF	3.84
DSY FP	DASSAULT SYSTEMES	1.39
8985 JP	JAPAN HOTEL REIT I	1.38
PUM GR	PUMA SE	1.38
SIKA SW	SIKA AG	1.38
WKL NA	WOLTERS KLUWER	1.37
PGHN SW	PARTNERS GROUP HLG	1.36
GIB/A CN	CGI GROUP INC	1.32
REY IM	REPLY SPA	1.32
4911 JP	SHISEIDO CO LTD	1.30