THNQ

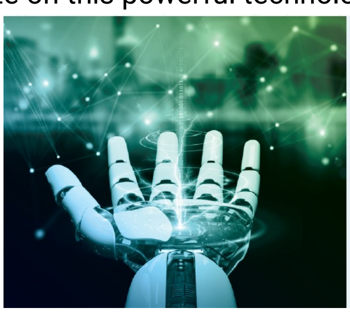
INVESTING IN ARTIFICIAL INTELLIGENCE

FUELING THE NEXT WAVE OF THE DIGITAL ERA

Artificial Intelligence (AI) has emerged as one of the most transformative and disruptive technological force of our time. Just as electricity revolutionized industry in the early 20th century and the internet and smartphones transformed society in the late 20th and early 21st centuries, AI is now poised to reshape every facet of the global economy and our daily lives. AI-powered technologies are redefining how we work, communicate, learn, shop, and care for our health. Harnessing the power of AI has quickly shifted from a source of competitive advantage, in our opinion, to an absolute necessity for survival in the age of intelligent automation.

We believe AI represents one of the most compelling and transformative investment opportunities of the 21st century. By simulating human intelligence processes and leveraging machine learning and deep learning techniques, AI systems can learn and adapt with minimal human intervention, unlocking unprecedented efficiencies and capabilities across virtually every industry. While the concept of AI has been around since the 1950s, recent years have seen a dramatic inflection point. Advances in computing power, data availability, and algorithmic sophistication have moved AI from an experimental niche to a powerful driver of real-world applications and business value.

Historically, the market has often underestimated the potential of disruptive technologies during their early stages of adoption, and perhaps overestimates the positioning of others. By seeking to capture the growth of AI as it reshapes industries and forces us to rethink the world around us, investors may be able to capitalize on this powerful technological megatrend.



- **Massive growth of data**
- **Faster processing chip power**
- **Breakthrough in AI-related software**
- **Rapid growth of infrastructure frameworks**
- **Major transformation of the labor force**

THE RISE OF ARTIFICIAL INTELLIGENCE: WHY NOW?

Artificial intelligence (AI) has already become deeply ingrained in our daily lives, with hundreds of millions of people interacting with AI-powered systems every day. From the rapid adoption of advanced language models to the proliferation of AI-driven recommendation engines, virtual assistants, and smart devices, AI technologies are experiencing one of the fastest adoption cycles in history.

The convergence of several key factors has accelerated the growth and implementation of AI across industries:

1. Advancements in machine learning algorithms, particularly in deep learning and neural networks, have enabled AI systems to process and learn from vast amounts of data more efficiently than ever before.
2. The exponential growth in computing power, driven by specialized hardware like Graphic Processing Units (GPUs) and Tensor Processing Units (TPUs), has made it possible to train and run complex AI models at scale.
3. The proliferation of cloud computing and edge devices has created a robust infrastructure for deploying and accessing AI applications remotely, enabling seamless integration into various products and services.
4. The increasing availability of large datasets, thanks to the digitization of information and the growth of Internet of Things (IoT) devices, has provided the fuel for training and refining AI algorithms.

CAPTURING THE AI ECOSYSTEM

To give investors a diversified and broad exposure to companies around the world that are leading the AI revolution, ROBO Global constructed the ROBO Global Artificial Intelligence Index, and partnered with Exchange Traded Concepts to offer a liquid, transparent, and cost-effective ETF to track that index (NYSE: **THNQ**).

THNQ includes companies that are actively developing and leveraging AI-based tools and AI-powered engines to potentially capitalize on new market opportunities and accelerate their revenue growth. This also encompasses the supporting infrastructure of artificial intelligence, necessary to operate at scale within regulatory frameworks and safe conditions, such as connectivity, cybersecurity, computing, and computer-vision-related areas. AI is experiencing significant global momentum, evident from the accelerated ecosystem investment and growth projections.:

- According to Bloomberg Intelligence, the Generative AI market could exceed $1 Trillion by 2032, with AI infrastructure as the largest spend area, as it grows into different markets. [1]
- • U.S. semiconductor fab capacity is projected to increase by 203% by 2032, a tripling of U.S. capacity. [2]

1 2023 Generative AI Growth, Bloomberg Intelligence.
[2] Emerging Resilience in the Semiconductor Supply Chain, BCG + Semiconductor Industry Association 04/30/2024

AI'S INFLECTION POINT

Artificial Intelligence has reached an inflection point and is now in the early stages of adoption. In the past few years, progress in the AI field has rapidly accelerated, with companies racing to develop and use machine learning, neural networks, natural language processing, and a range of other subfields to drive innovation and monetize the power of AI. Already that race has seen intense jockeying for position, with early leaders, laggards, and startups in a tight race for the next AI breakthrough.

Using the insights of the ROBO Global Strategic Advisory Board, which includes 5 PhD's and 2 Engelberger Award Winners (the equivalent of the Nobel prize in Robotics) and the ROBO Global Industry Classification system for the THNQ index, we identified companies that are making big bets on AI and using AI as a driving force for the future of their business.

Some of the key applications being powered by AI today include:

- Cyber threat detection and network security
- Personalized Recommendations
- Autonomous Robots and vehicles
- Fraud detection and financial risk assessment
- Warehouse fulfillment and supply chain optimization
- Smart home appliances and energy management
- Multi-Modal Generative AI (creative)
- Front, Middle, Back-office Automations
- Healthcare and life sciences (e.g., genomics, drug creation, pathology, radiology, patient monitoring)
- Identification and Authentication

AI IN ENTERPRISES

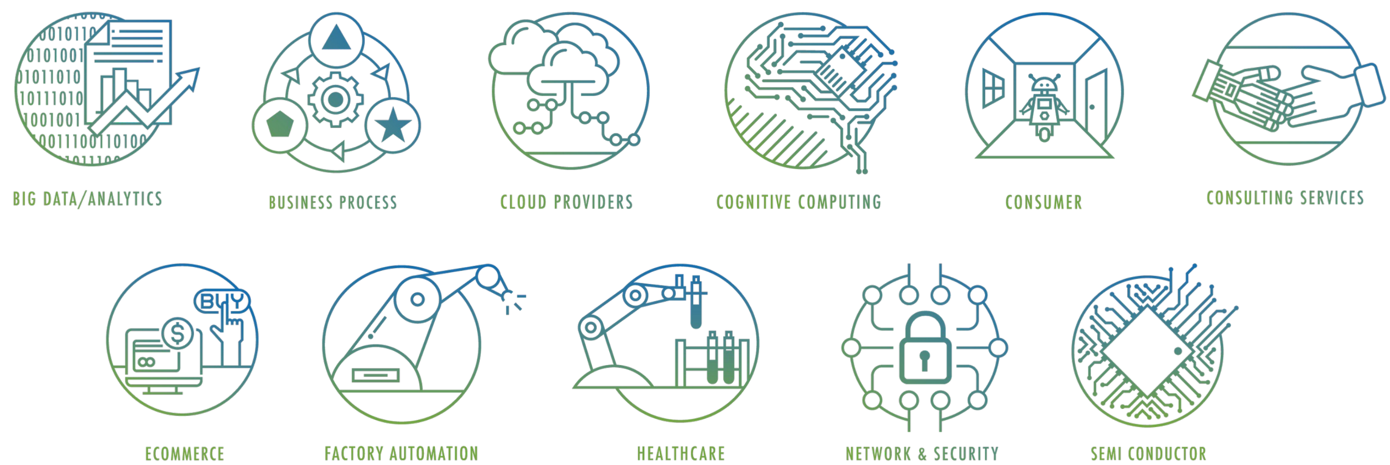
Thanks to the power of AI, many companies and governments worldwide are going through a digital transformation. Over 75% of employees are already using AI in some format – even if their organization isn't.[4] Today, modern technology stacks powered by AI technologies are being created for the first time, and they are quickly replacing outdated legacy architectures. This adoption of AI is likely the final tipping point for the next round of digital transformation that started with the migration to cloud computing just a few years ago.

- According to Statista, the market for AI is expected to grow from US$184.00bn in 2024 at an annual growth rate Compound Annual Growth Rate (CAGR)[5] (2024-2030) of 28.46%, to US $826 billion by 2030.[6]

Digital transformation doesn't result from merely digitizing manual tasks; it comes from automating entire processes and leaving humans to guide strategy rather than execution. This requires data processing, data analytics, and the predictive maintenance of intelligent machines that can autonomously process data and act on AI-driven insights. As humans learn to better collaborate with AI, and as machines learn to create new possibilities and outcomes, the collaboration between man and machine will amplify our technological capabilities for years to come.

[4] 2024 Work Trend Index Annual Report - Microsoft and Linkedin Survey
[5] Compound Annual Growth Rate (CAGR) is the mean annual growth rate of an investment over a specified period of time longer than one year
[6] Statista Worldwide Artificial Intelligence as of 04/30/2024

ROBO Global's Industry Classification is a forward-looking road map, supported by insights from a dedicated coverage team, to ensure subsectors evolve and expand at the right time.



For investors seeking a way to capture the entire value chain of artificial intelligence, these are the details that matter. At ROBO Global, we strive to deliver a research-driven portfolio, focused on providing long-term growth. Investors would be wise to consider using the THNQ ETF as a means to gain diversified exposure to this innovation.

PRODUCT INFORMATION CHART:

Fund Name:	**ROBO Global Artificial Intelligence ETF**
Benchmark:	**ROBO Global Artificial Intelligence Index**
Ticker:	**THNQ**
Listings:	**NYSE Arca**
Fund Inception Date:	**05/11/2020**
Expense Ratio:	**0.75% (Gross) / 0.68% (Net)***
Issuer:	**Exchange Traded Concepts**

**The Advisor has contractually agreed to waive fees through August 31, 2025*

LEARN MORE

To learn more about the ROBO Global Artificial Intelligence ETF, visit www.roboglobaletfs.com.

IMPORTANT DISCLOSURES

This material represents the author's assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the fund or any security in particular. Please consult your financial advisor for further information.

Diversification may not protect against market risk. Investing involves risk, including the possible loss of principal. Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. International investments may also involve risk from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, and from economic or political instability. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Indices are unmanaged. One cannot invest directly in an index. There is no guarantee the fund will achieve its stated objective. Holdings are subject to change. Current and future holdings are subject to risk.

The Fund invests primarily in the equity securities of robotics and automation companies and, as such, is particularly sensitive to risks to those types of companies. These risks include, but are not limited to, small or limited markets for such securities, changes in business cycles, world economic growth, technological progress, rapid obsolescence, and government regulation.

Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's full or summary prospectus, which may be obtained at www.roboglobaletfs.com. Read the prospectus carefully before investing.

This information is not intended to be individual or personalized investment or tax advice and should not be used for trading purposes.

Exchange Traded Concepts, LLC serves as the investment advisor of the fund. The Fund is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Exchange Traded Concepts, LLC or any of its affiliates.

Shares are bought and sold at market price (closing price) not net asset value (NAV) and are not individually redeemed from the Fund. Beginning September 1, 2020, market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates current NAV per share. Prior to September 1, 2020, market price returns were based on the midpoint between the bid and ask price