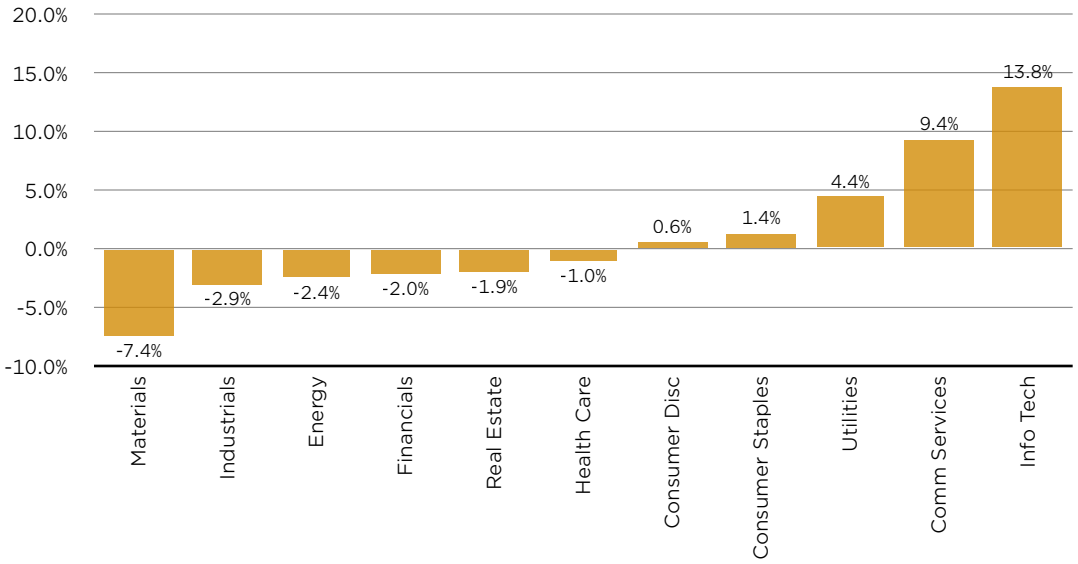
CHANGE FINANCE

CHGX

2024 Q2 COMMENTARY

ECONOMY & MARKETS: We are officially halfway through 2024. The second quarter of 2024 started with jitters around inflation and potential interest rate hikes. Stock and bond prices dipped in April due to hotter-than-expected inflation data. However, in May, the outlook improved, and markets recovered as the Fed signaled a more cautious approach on rate cuts. The key question remains: will inflation stay under control, allowing for the anticipated rate cuts and continued economic growth, or will a resurgence put the brakes on progress? Despite some sector underperformance, broad diversification, especially through large-cap indexes like the S&P 500, proved its value in capturing growth while mitigating risk. The S&P closed out the quarter up 4.28% with the biggest movers in Information Technology ending the quarter up 13.79%.

Q2 Performance of US Sectors



* SOURCE: S&P Dow Jones Indices LLC and/or its affiliates. Data as of June 30, 2024. Past performance is no guarantee of future results. You may not invest directly in an index.

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Performance						Average Annualized
	Quarter	YTD	1 Year	3 Year	5 Year	Since Inception (10/9/17)
CHGX NAV	**-1.34%**	**8.85%**	**16.84%**	**4.05%**	**11.96%**	**11.86%**
CHGX Market Price	**-1.42%**	**8.85%**	**16.73%**	**4.02%**	**11.87%**	**11.85%**
S&P 500	**4.28%**	**15.29%**	**24.56%**	**10.01%**	**15.05%**	**13.98%**

Expense Ratio: 0.49% *As of 6/30/24*

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 833.AXS.ALTS or visit the Fund's website at www.axsinvestments.com. The Fund adopted the performance of the Predecessor Fund following the Reorganization of the Predecessor Fund which occurred on March 21, 2022. The Predecessor Fund has substantially similar investment objectives, strategies and policies, portfolio management team and contractual arrangements, including the same contractual fees and expenses, as the Fund as of the date of the Reorganization. The quoted performance data includes the performance of the Prior Account for periods before the fund's registration became effective.

CHGX: While **CHGX**'s Q2 performance fell short of the broader market, reflected in a -1.34% return compared to the S&P 500's 4.28%, we remain confident in our long-term strategy. Our focus on ESG principles ensures a diversified portfolio that prioritizes sustainable and responsible companies. This equal-weighting approach may lead to short-term fluctuations, but it balances risk and positions **CHGX** well for long-term growth alongside companies leading the charge in environmental and social responsibility. Looking at the year to date, **CHGX** has delivered a respectable 8.85% return, demonstrating the resilience of our sustainable investing philosophy.

IMPACT AND ADVOCACY:

The 2024 proxy season is drawing to a close, highlighting the growing importance of shareholder voices in shaping corporate ESG practices. While some debate surrounds the recent introduction of an "ESG-skeptic" policy by ISS, it also underscores the significant influence of proxy advisors like ISS and Glass Lewis. Studies have shown that shareholder support for proposals surges when both advisors recommend them, demonstrating the power investors hold in driving positive change.

While "anti-ESG" rhetoric persists, the overall number of proposals in 2024 appears likely to be lower than last year's peak. Environmental and social

proposals remain the most common category, with subcategories like climate and human capital attracting the most attention.

Proxy voting empowers investors to align their investments with their values. We urge all investors to take advantage of this powerful tool. By researching how their proxies are voted and actively participating in the process, investors can play a crucial role in shaping the future direction of companies and driving positive ESG practices. We continue to vote our proxies in accordance with our ESG policy voting in favor of shareholder proposals on important issues like racial equity audits, risks associated with AI, data privacy, and climate change. This year we have also placed significantly more focus on the importance of holding board members accountable and have voted against board members not only when the board lacked gender diversity, but also for a range of other issues including lack of commitment to international human rights standards, inadequate climate and environmental oversight, and lack of transparency regarding diversity.

In addition to our proxy voting, we continued our direct engagement strategy and had successful engagements in which we reached positive outcomes and withdrew shareholder proposals at American Express on data privacy, Marvell Technologies on disclosure of political contributions, and a third company we've agreed not to name on maternal and reproductive health.

Sustainability & ESG:

Shareholder Voices Matter: Upholding the Right of Shareholders Voices

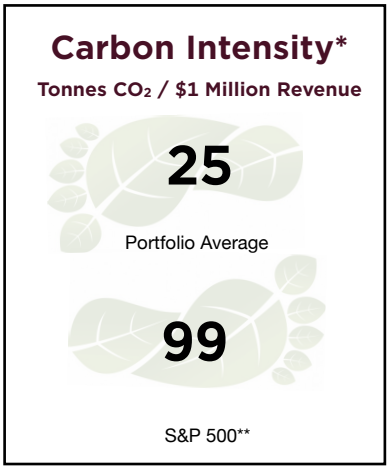
The ability of shareholders to file proposals at companies, particularly those focused on environmental and social issues, is a critical tool for fostering positive change within these industries. Recent events involving ExxonMobil's lawsuit against activist investors Arjuna Capital and As You Sow highlight the importance of upholding this right.

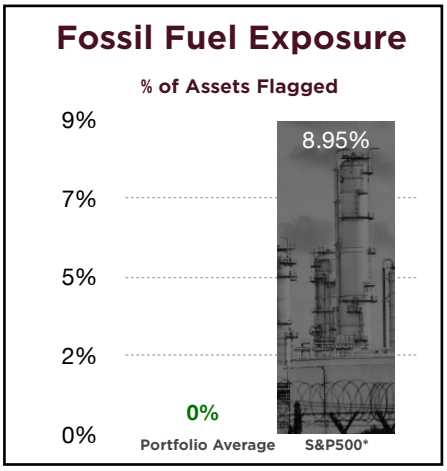
Exxon's lawsuit challenged the legitimacy of shareholder proposals focused on accelerating the company's carbon emission reduction plans and broadening the scope of emissions measured to include suppliers and customers. This attempt to silence shareholder voices on such critical issues is deeply concerning. Investors have a right to engage with companies on matters that directly impact their long-term value. Climate change poses a significant financial risk to oil and gas companies, and social responsibility is increasingly a factor in investment decisions. By shutting down these conversations, Exxon is not only neglecting its responsibility to its shareholders but also hindering its ability to adapt to a changing market landscape.

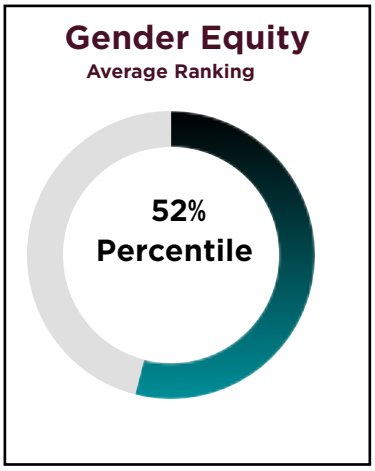
Furthermore, Exxon's lawsuit appears to be a blatant attempt to circumvent established SEC rules. These rules allow for shareholder proposals, promoting constructive dialogue between companies and investors. The lawsuit's strategy of labeling such proposals as "Trojan Horse" tactics aimed at dismantling the company's business is not only misleading but also disrespects the legitimate concerns of investors who are seeking responsible action on climate change.

The withdrawal of the shareholder proposals in this specific case doesn't erase the potential dangers the lawsuit posed. The precedent it could have set by successfully stifling these discussions is deeply concerning. The New York judge's decision to dismiss the case as moot may offer temporary relief, but the chilling effect of such aggressive tactics can linger for years.

Moving forward, we believe it's crucial to uphold the ability of investors to file shareholder resolutions and engage with companies on crucial issues. Open communication and transparency are essential for driving positive change. By silencing these voices, companies risk falling behind the curve in a rapidly evolving market. We stand by the rights of all investors to engage in meaningful dialogue with the companies they invest in, ensuring a more sustainable and responsible future for all.







As of 6/30/24

* SOURCE: Vettafi.com
** SPY is used as a proxy for the S&P 500 because VettaFi does not calculate Carbon Intensity for indices.

CERTIFIED carbon neutral fund ethosESG.com

CHGX Total Carbon Sequestered 2,075 tonnes

As of 6/30/24

Looking Forward

The first half of 2024 is in the books and it's worth reflecting on the year's positive developments in sustainable investing. Data from the Institute of Energy Economics and Financial Analysis[1], corroborated by Morningstar research, indicates a compelling trend: sustainable funds outperformed

traditional funds in 2023. The median return for sustainable funds reached 12.6%, compared to 8.6% for traditional options. This outperformance held true across both equity and fixed-income asset classes. This isn't a one-time occurrence – with the exception of 2022, sustainable funds have consistently generated superior returns to traditional funds since 2019. Similarly, ESG ETFs have outperformed their non-ESG counterparts in three of the past four years.

Looking beyond financial returns, the urgency of addressing climate change becomes increasingly clear. The devastating storms, floods, and tornados plaguing the US this year serve as stark reminders of the environmental challenges we face. As we enter the heart of hurricane season, these events may likely intensify. These developments underscore that ESG is far more than a passing trend or political slogan. It empowers companies to make data-driven decisions that not only benefit the environment and society, but also demonstrably improve their bottom line and generate strong returns for investors. As we move forward, the continued growth of sustainable investing offers a powerful tool for building a more prosperous and sustainable future.

[1] https://ieefa.org/resources/esg-investing-steady-growth-amidst-adversity

IMPORTANT RISK DISCLOSURE

ETFs involve risk including possible loss of principal. There is no assurance that the Fund will achieve its investment objective. Fund holdings are subject to risk and should not be considered recommendations to buy or sell any security.

The Fund may invest a larger portion of its assets in one or more sectors than many other funds, and thus will be more susceptible to negative events affecting those sectors. Market and Equity Risk: The value and market price of an equity security may decline due to general market conditions that may or may not be specifically related to a particular company or industry. Passive investment risk: The Fund invests in securities included in the Index regardless of investment merit. It is not actively managed and generally will not attempt to take defensive positions in declining markets. ESG Investing Risk: The Fund's ESG policy could cause it to make or avoid investments that could result in the portfolio underperforming similar funds that do not have such policies. Market Cap Risks: Companies with larger capitalization may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion. The securities of mid-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger, more established companies. Real Estate Risk: Investments in Real Estate Investment Trusts (REITs) involve risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. Brokerage commissions will reduce returns. NAVs are calculated using prices as of 4:00 PM Eastern Time. The closing price is the midpoint between the bid and ask price as of the close of exchange. Closing price returns do not represent the returns you would receive if you traded shares at other times.

Investors should carefully consider the investment objectives, risks, charges and expenses of AXS Change Finance ESG ETF. This and other important information about the Fund is contained in the Prospectus, which can be obtained by visiting www.axsinvestments.com. The Prospectus should be read carefully before investing.

Carbon Neutral Certification: Ethos performs an independent analysis of a fund's carbon footprint and carbon credits (offsets) to verify whether the fund is carbon neutral during a specified period. The carbon footprint consists of verified Scope 1 and Scope 2 emissions of every holding of the fund. Ethos defines the carbon footprint of a fund as the total tons of Scope 1 and Scope 2 CO_2 emissions of its holdings multiplied by the fund's percentage ownership of those holdings. Percentage ownership is based on the market value of the fund's shares divided by the total market value of the holdings.

While Ethos researches and models Scope 3 emissions for every fund holding, the company does not consider Scope 3 for fund-level certification. This is due to limitations with Scope 3 data, including: lack of standardized reporting methodology by companies: low coverage of companies reporting Scope 3 emissions; and, likely overlap of Scope 3 emissions across company value chains.

As part of the Carbon Neutral Certification, Ethos requires funds to submit proof of purchase of carbon credits from a list of approved providers of carbon credits. When information is not available the following modeling formula used is: Expected emissions = peer-average carbon intensity (CO_2 per $M revenue) * $M revenue calculated as AUM as of 6/30/23.

EthosESG audits this estimation and will address discrepancies should they arise. Emissions data is limited by the voluntary disclosure by individual companies and is not independently audited. Change Finance and EthosESG make every effort to ensure data is accurate but cannot guarantee absolute carbon neutrality.

S&P 500 Index: A market-capitalization-weighted index of the 500 largest publicly traded companies in the U.S.

Carbon Sequestration: Change Finance utilizes Grassroots Carbon to purchase Carbon Sequestration Credits for its Carbon Neutral Certification. Carbon sequestration numbers are updated quarterly and reflect carbon offset credits purchased year to date. Verity analyzes the funds carbon footprint quarterly and that analysis is used to purchase credits. Grassroots Carbon certifies and audits carbon capture by taking measurements performed by an unaffiliated third party based on actual 3 feet deep measurements conducted after rigorous stratification in accordance with Verra VMD0021. More information available from buildgrassroots.com

CHGX Total Carbon Sequestered: as part of Carbon Neutral Certification. Carbon Certification as of 6/30/2024**.**

Environmental, Social and Governance (ESG): Environmental criteria considers how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

Fossil Fuels Exposure: Fossil Fuel Exposure is calculated at least quarterly by Fossil Free Funds and measures the percentage of a fund's net assets invested in companies which own, extract, process, or burn fossil fuels for electricity generation as determined by inclusion in the Carbon Underground 200; the Macroclimate 30; Morningstar industry classifications Thermal Coal, Coking Coal, Oil and Gas Drilling, Oil and Gas Extraction, Oil and Gas Production, Oil and Gas Equipment and Services, Oil and Gas Integrated, Oil and Gas Midstream, Oil and Gas Refining and Marketing; the Global Coal Exit List marked as Mining or Services for the Coal Industry Sector or Power for the Coal Industry Sector; or the Global Oil/Gas Exit List upstream and midstream companies. More information available from fossilfreefunds.com

Carbon Intensity: Carbon Intensity measures an ETF's exposure to carbon intensive companies. The figure is the sum of security weight (normalized for corporate positions only) multiplied by the security Carbon Intensity. Carbon Intensity measures a funds exposure to carbon intensive companies in terms of CO2 emissions per $ million in sales. Data provided by VettaFi, more information available from etfdb.com. SPY is used as a proxy for the S&P 500 because VettaFi does not calculate Carbon Intensity for indices.

Weapon Exposure: Weapon Exposure is calculated at least quarterly by Weapon Free Funds and Gun Free Funds and measures the percentage of a fund's net assets invested in companies that manufacture or sell civilian firearms, manufacture or service nuclear weapons, manufacture cluster munitions or land mines, or are among the 100 largest military contractors using data from the Stockholm International Peace Research Institute Arms Industry Database; PAX; and Gun Free Funds's lists of the largest firearms manufacturers and retailers. More information available from weaponfreefunds.org and gunfreefunds.org.

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