

# CLEARSHARES

## Investment Objective

Current income consistent with capital preservation.

## Investment Strategy

The ClearShares Ultra-Short Maturity ETF (the "Fund", OPER) is an actively managed portfolio seeking current income by investing in repurchase agreements, collateralized by U.S. Treasuries and U.S. Government backed Securities.

## Fund Facts

**Fund Inception Date:** 7/11/2018

**Ticker:** OPER

**Net Assets as of 6/30/2023:** \$230.63M

**Primary Exchange:** NYSE ARCA

**CUSIP:** 26922A453

**Fund Type:** Actively Managed

**Investment Objective:** Current Income  
Consistent with Capital Preservation

**Expense Ratio:** 0.20%

**Number of Holdings:** 8

**Distribution:** Monthly

**Benchmark:** ICE BofAML® 3-Month Treasury  
Bill Index

**SEC 30 Day Yield:** 5.00%

Data as of 6/30/2023

## Contact Information

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# ClearShares Ultra-Short Maturity ETF 2023 Q2

## Performance (%)

Fund	QTD	YTD	1 Yr	3 Yr	Since Incep
Market Price	1.30	2.36	3.88	1.57	1.65
Fund NAV	1.23	2.36	3.87	1.57	1.64
ICE BofA ML 3 Month Treasury Bill	1.18	2.27	3.62	1.28	1.56

Data as of 6/30/2023

*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 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 212.292.0959 or visiting [www.clear-shares.com](http://www.clear-shares.com).*

Returns are average annualized except for periods less than one year.

Annualized return is the average return gained or lost by an investment each year over a given time period. ClearShares Funds' NAVs are calculated using prices as of 4:00 PM Eastern Time.

The market price is the Mid-Point between the Bid and Ask price as of the close of exchange. Since the Fund's Shares typically do not trade in the secondary market until several days after the Fund's inception, for the period from inception to the first day of secondary market trading in Shares, the NAV of the Fund is used to calculate market returns.

## Why Clearshares OPER ETF

In an effort to combat significant inflationary pressures, the Fed has begun their journey to a higher interest rate environment with a combined 1.5% move over three FOMC meetings and leaving the markets with strong expectations of at least a few more hikes throughout 2022. Rising rate environments have historically been harmful to fixed income ETFs and that hasn't changed this time around with only 15 out of 529 fixed income ETFs showing a positive return YTD for 2022. ClearShares Ultra-Short Maturity ETF (NYSE Arca: OPER) took the #9 position<sup>1</sup> in this analysis. In this uncertain environment, it's just as important to focus on risk as it is on return. Price volatility is an important indicator of yield curve exposure and liquidity of ETFs. Casualties can still remember significant price volatility in the early days of the pandemic resulting in many fixed income ETFs posting poor performance of between -2.00% and -8.00% during that period. Given the nature of OPER's investment strategy, there has typically been limited price volatility<sup>2</sup> since inception.

As investors navigate uncertain fixed income markets, they may not have to choose between risk and return. OPER seeks to achieve a competitive return while providing a relatively low level of volatility. OPER lends money in the institutional lending markets as opposed to owning securities in order to achieve its investment objectives. These lending transactions (repurchase agreements or "repos") are collateralized by fixed income securities issued by the US Treasury and government agencies. A third-party custodian holds the collateral on behalf of OPER and ensures the account is collateralized based on the market value of all pledged securities. OPER should continue to be a beneficiary of a rising rate environment, and may be an attractive option for investors seeking current income and portfolio stability in fixed income holdings:

- OPER could replace cash holdings and short-term bond funds in fixed income portfolio holdings.
- While OPER is permitted to hold securities, it typically does not when employing its core investment strategy which may reduce sensitivity to market volatility and yield curve risks
- OPER primarily accepts collateral issued by the US Treasury and government agencies
- OPER receives a minimum of 2% excess collateral pledged against each lending agreement
- OPER has historically paid a monthly distribution based on interest earned from these "repos"
- The Fund is daily priced, daily liquid, and trades on the New York Stock Exchange Arca.

Sources:

1. Bloomberg (as of 7/2022)
2. Bloomberg (as of 7/2022)

## What is a Tri-Party Repo

Tri-party repos are the most common type of repo and are popular because of their operational efficiency and safety. In this type of arrangement, the buyer and seller agree to the terms of the transaction and report the details to a third-party custodian (BNY Mellon). BNY Mellon, one of the largest financial institutions in the world, serves as the fiduciary/custodian for participants in the tri-party repo market. Specifically, BNY Mellon handles all settlement and operational issues associated with the tri-party repo transactions, and ensures the buyer's account has the agreed class of securities and is over-collateralized per the trade terms.

When the buyer (lender of cash) and the counterparty (borrower of cash) execute a transaction, the collateral and cash flow through one custodial bank. OPER ETF utilizes BNY Mellon for its tri-party transactions to provide clearing and trade settlement services, collateral pricing, and to help facilitate collateral substitution.

Sources:

1. Federal Reserve Bank of New York
2. Federal Reserve Bank of New York
3. Federal Reserve Bank of New York
4. Federal Reserve Bank of New York

# ClearShares OPER ETF

## About the Portfolio

### Top Holdings

Name	Identifier	Market Value (\$)	Percentage Of Net Assets
OPER REPO 7/6/23 5.22% 07/06/2023	OPER070623	60,000,000.00	26.02%
OPER 7/17/23 5.13% 07/17/2023	OPER071723-1	55,000,000.00	23.85%
OPER REPO 7/3/23 5.17% 07/03/2023	OPER070323	25,150,000.00	10.91%
OPER REPO 7/7/23 5.13% 07/07/2023	OPER070723	25,000,000.00	10.84%
OPER REPO 7/7/23 5.17% 07/07/2023	OPER070723-2	25,000,000.00	10.84%
OPER 7/17/23 5.11% 07/17/2023	OPER071723	20,000,000.00	8.67%
OPER REPO 7/7/23 5.13% 07/07/2023	OPER070723-1	10,000,000.00	4.34%
UNITED STATES TREAS BILLS 07/13/2023	912796XQ7	9,986,023.10	4.33%
Cash & Other	Cash&Other	490,794.56	0.21%
FIRST AMERN FDS INC 12/01/2031	FGXXX	0.00	0.00%

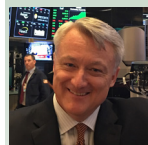
Data as of 6/30/2023 Holdings are subject to change and are not recommendations to buy or sell any security.

### An Experienced Investment Team

The ClearShares' investment team has multi-market cycle, multi-asset class experience.



James Fortescue  
Portfolio Manager  
30+ years experience



Frank Codey  
Portfolio Manager  
30+ years experience

Past performance is not indicative of future results. References to efforts to mitigate or “control” risk reflect an effort to address risk, but do not mean that the portfolio risk can be completely controlled. All investment has risk, including the risk of loss of principal.

**Before investing you should carefully consider the Fund’s investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by going to (<http://clear-shares.com/prospectus>). Please read the prospectus carefully before you invest.**

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV) and may trade at a discount or premium to NAV. Shares are not individually redeemable from the Fund and may be only be acquired or redeemed from the fund in creation units. Brokerage commissions will reduce returns. The Fund invests in fixed income securities, that involves certain risks including call risk, credit risk, event risk, extension risk, interest rate risk & prepayment risk. Repurchase agreements may be construed to be collateralized loans by the Fund, and if so, the underlying securities relating to the repurchase agreement will only constitute collateral for the seller’s obligation to pay the repurchase price. If the seller defaults on its obligation under the agreement, the Fund may suffer delays and incur costs or lose money in exercising its rights under the agreement. A seller failing to repurchase the security coupled with a decline in the market value of the security may result in the Fund losing money. The Fund may invest in repurchase agreements that are deemed illiquid due to having a term of more than seven days. Please refer to the prospectus for additional risks of investing in the fund.

**Investment Company Risk** The risks of investing in investment companies, such as the Underlying Funds, typically reflect the risks of the types of instruments in which the investment companies invest. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. The Fund may be subject to statutory limits with respect to the amount it can invest in other ETFs, which may adversely affect the Fund’s ability to achieve its investment objective. Investments in ETFs are also subject to the following risks: (i) the market price of an ETF’s shares may trade above or below their net asset value (“NAV”); (ii) an active trading market for an ETF’s shares may not develop or be maintained; and (iii) trading of an ETF’s shares may be halted for a number of reasons.

**Management Risk** The Fund is actively-managed and may not meet its investment objective based on the Adviser’s success or failure to implement investment strategies for the Fund.

**ICE BofAML 3-Month Treasury Bill Index:** The ICE BofAML 3-Month Treasury Bill index is an unmanaged index that measures returns of three-month Treasury Bills.

Clearshares LLC is the investment advisor to ClearShares Ultra-Short Maturity ETF [OPER]. The ClearShares ETFs are distributed by Quasar Distributors, LLC.