

CLEARSHARES

ClearShares
Ultra-Short Maturity ETF (OPER)

A large graphic featuring the word "OPER" in a bold, sans-serif font. The letters "O", "P", and "E" are white, while the "R" and the second "O" are a vibrant green. The text is set against a background of a dynamic water splash, with droplets and ripples in shades of light blue and white. The overall composition is clean and modern, emphasizing the "OPER" brand.

OPER

ClearShares ETF

How are You Managing
Your Cash?

Why ClearShares OPER ETF

The Fed has continued their seemingly fruitless effort to combat inflation with three interest rate hikes in 2023 totaling 75 basis points right on the heels of last year's cumulative hikes of 425 basis points ^{1*}. We've reached a target Fed Funds range of 5.00%-5.25%², and the effects of this policy have reverberated through the housing market, finance, and more recently, into bank capital levels, resulting in two high-profile bank failures. Despite assurances that the banking system is safe, it would be prudent for investors to prepare for the possibility of continued, or even increased volatility. While the Fed may pause the rate hikes soon, many expect rates to stay elevated for some time. This potential path would certainly maintain pressure on the economy and would most likely increase volatility across many markets. As in any volatile period, investors will need to identify strategies seeking to protect their wealth and hopefully generate some level of return. With bank deposits yielding only a handful of basis points and the potential for significant deterioration of bank capital, where do investors go? Are bond funds the answer? Maybe, but after their performance in 2022, most have a lot of ground to recover.

It's been said that people love the "thrill of the chase", but is that effective when applied to an investment strategy? Do investors really need to constantly find the highest yielding investment vehicles, often without understanding the risks? This effort to time the market can result in exhaustion from the chase, followed by the pain of a volatile yield curve. By reducing direct yield curve exposure and identifying a consistent income vehicle, investors may be able to finally abandon the chase.

As investors navigate uncertain fixed income markets, they may not have to choose between risk and return. ClearShares Ultra-Short Maturity ETF, 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. Federal Reserve Bank of New York
2. Federal Reserve Bank of New York

* 1 basis point is the equivalent of 1/100 of a percent or 0.01%

Investment Objective

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

What is a Repo

Repurchase agreements ("repos") are short-term funding transactions widely used by banks, securities firms, and hedge funds to finance their securities inventory. They utilize this vehicle for its liquidity and safety. A repo is the sale of a security with a simultaneous commitment by the seller to repurchase the security from the buyer at a future date at a higher, predetermined price. This price differential represents the interest earned on the lending transaction. This transaction allows one party (the seller) to obtain financing from the other party (buyer).

REPO

A repo is secured by collateral, protecting the buyer against the potential risk of the seller being unable to repurchase the securities as agreed. The transaction from the lender's perspective is called a reverse repurchase agreement ("reverse repo") and may also be thought of as a collateralized loan. Repurchase agreements are typically short-term agreements and their maturity period is called the "term" or the tenor.

What is a Tri-Party Repo

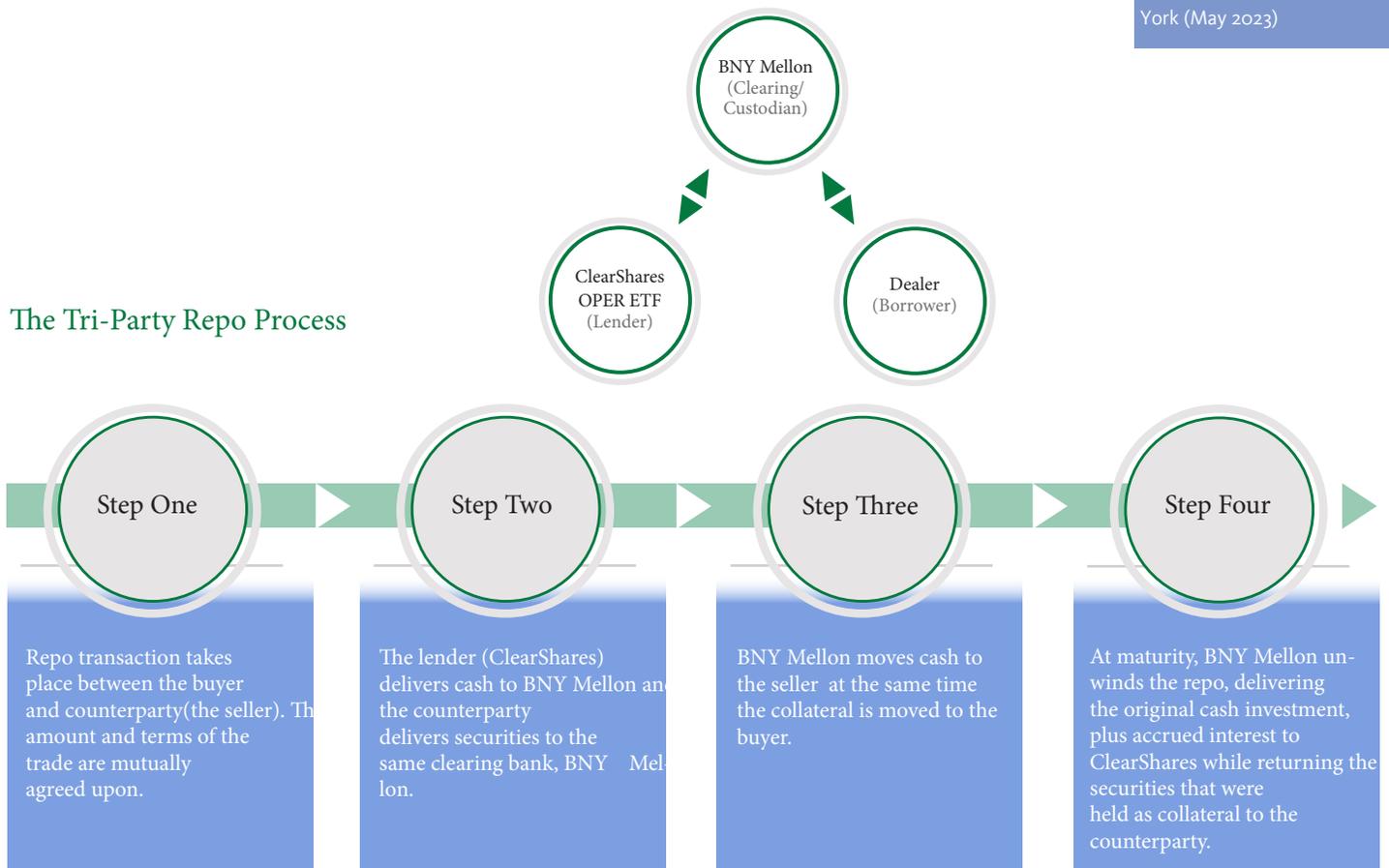
Tri-party repos are the most common type of repo and are popular because of their operational efficiency and safety. In this type of arrangement, the buyer and seller agree to the terms of the transaction and report the details to a third-party custodian (BNY Mellon). BNY Mellon, one of the largest financial 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.

According to the Federal Reserve Bank of New York, nearly 80.7% of the \$4.4 trillion tri-party REPO market consists of U.S. Treasury or Agency Debt Collateral.

Federal Reserve Bank of New York (May 2023)

The Tri-Party Repo Process



Fund Details

Primary Exchange: NYSE/Arca

Investment Objective: Current Income

Benchmark: ICE® BofA US Broad Market Index

Treasury Bills Index

Fees: Expense ratio: 0.20%

About ClearShares

ClearShares LLC is an independently-owned and operated registered investment advisory firm.

An Experienced Investment Team

The ClearShares' OPER ETF investment team has multi-market cycle, multi-asset class experience, including a track record in alternative investments.



Frank Codey - Portfolio Manager

EXPERIENCE:

- 30+ years experience in the securities industry
- President, Equinox Group Distributors
- Chief Operating Officer, Equinox Fund Management
- Director of Operations, Funding, & Risk, Braver Stern Securities
- Executive Director & Product Manager, Fixed Income Securities Prime Brokerage, JP Morgan.
- Senior Managing Director, Bear Stearns & Co. Fixed Income Prime Brokerage, specializing in mortgage and structured products.
- The Center for Business Analytics, Villanova University - Advisory Council
- Accordo Compliance Solutions - Advisory Board

EDUCATION:

- Boston University, B.S. in Business, Finance concentration
- Villanova University, M.S. in Analytics



James Fortescue - Portfolio Manager

EXPERIENCE:

- Founding Partner, Piton Investment Management
- Chief Operating Officer, Annaly Capital Management
- Director, RCAP Securities (FINRA Regulated Broker Dealer)
- Director, Shannon Funding LLC (Warehouse Lending Company)
- Federal Reserve Bank of New York - Financial Stability Board Panel
- US Treasury & Risk Management Association Securities Lending & Borrowing Legal & Regulatory Round Table-Markets Stability Panel

EDUCATION:

- Siena College, B.S. in Finance
- New York Institute of Finance, Mortgage Backed Securities Studies

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. The ICE® BofAML® 3-Month T-Bill Index is an unmanaged index that measures the return of the three-month Treasury Bill issue maturing closest, but prior to, a three-month forward date. It is not possible to invest directly in an index.

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 clicking here (<http://clear-shares.com/oper/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.

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

For More Information

To learn more about ClearShares Ultra-Short Maturity ETF and its innovative approach to help you manage your cash, contact us at:

212.292.0959 or visit: www.clear-shares.com

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