



EcoLogical Strategy ETF

Q What is the objective and strategy of the EcoLogical Strategy ETF?

A The **EcoLogical Strategy ETF (“HECO”)** seeks capital appreciation through an actively managed portfolio of ecologically-focused companies. To accomplish this objective, we apply *ecologically-focused criteria* to identify U.S. and foreign companies that have positioned their business to respond to increased environmental legislation, cultural shifts towards environmentally conscious consumption, and capital investments in environmentally oriented projects.

In selecting our investments, we seek companies recognized as good environmental stewards who also are good stewards of investor capital. As a whole, companies with these characteristics tend to be more seasoned and have sound, profitable business models. We believe the companies we select are positioned to take advantage of continuing changes in laws, consumer behavior and business investments, which have the potential to result in competitive advantages over other, less environmentally-friendly companies.

Q What makes this strategy different from other “green” funds?

A ***Our focus on a logical view of the world*** makes HECO different from other green investment options. In fact, we’ve capitalized the “Logical” in our name to stress our disciplined and active investment approach.

Unlike many ‘green funds’ that emphasize a particular sector or manufacturing practice (i.e. nascent technologies like wind and solar) simply because they tend to encompass the image of “green”, we believe the rise of environmental responsibility is a global megatrend that will impact every segment of the economy. As a result, we seek well-performing, well-established and well-managed companies with an active and strong sense of environmental responsibility across all sectors and industries.

Similarly, some investment strategies classified as “socially responsible investing (SRI)” strategies may screen for companies that rank high on certain SRI scoring systems that assign weights to corporate policies and practices without regard for the products the company produces. It is entirely possible, for example, to own coal and oil stocks inside an environmentally screened index. While our investment approach recognizes the credibility of well-established SRI screens, we apply a much more rigorous investment process to establish the appropriateness of individual security investments.

Q What types of securities are included in the EcoLogical Strategy ETF?

A The EcoLogical Strategy ETF holds common stocks from ecologically-focused companies across a diversified set of industries that we believe will benefit from increased interest in environmental consciousness. This includes at least 65% of total assets in common stocks organized in the U.S., and up to 35% of total assets in common stocks and American Depositary Receipts (ADR’s) of foreign companies. The Fund will not invest more than 25% of its total assets in an individual industry as defined by the Standard Industrial Classification Codes utilized by the U.S. Securities and Exchange Commission.



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Q How are the securities chosen and allocated?

A While the EcoLogical Strategy ETF is fully committed to inclusion of ecologically-focused companies, its primary concern is capital appreciation. As a result, our investment process ensures the portfolio maintains a bias toward high-quality companies that have demonstrated stable and consistent growth, profit and return on capital while practicing exceptional environmental stewardship.

To achieve this, we begin by applying ecologically-focused criteria to identify the equity securities of U.S. and Foreign Companies that have positioned their business to respond to increased environmental legislation, cultural shifts towards environmentally conscious consumption, and capital investments in environmentally oriented projects.

Securities that meet these criteria are then rigorously screened through a proprietary model which applies 89 separate quantitative factors broadly divided into 8 separate categories: *Momentum, Value, Growth, Smart Money, Quality, Profitability, Intangibles* and *Trading Frictions*. Each factor is weighted based on a combination of academic research and historical observations, and back-tested over multiple time horizons to ensure relevance, repeatability and robustness. Stress tests are also carried out for each factor during timeframes covering financial system meltdowns.

Q How do I invest?

A As with any ETF, the EcoLogical Strategy ETF is bought and sold like a stock and may be purchased through a personal broker, online broker or financial advisor under the ticker symbol: HECO

Investors should carefully consider the investment objectives, risks, charges and expenses of the EcoLogical Strategy ETF. This and other important information about the Fund is contained in the full or summary prospectus, which can be obtained by calling (855) HSS-ETFs (855-477-3837) or at www.StrategySharesETFs.com. Strategy Shares are distributed by Foreside Fund Services LLC, which is not affiliated with Rational Advisors, Inc., or any of its affiliates.

There are risks involved with investing, including possible loss of principal. The ETF may trade securities actively, which could increase its transaction costs (thereby lowering its performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate. The ETF's ecological investment criteria limit the types of investments the ETF may make. This could cause the ETF to underperform other funds that do not have an ecological focus. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principals or from social, economic or political instability in other nations. If the ETF invests more than 25% of its net assets in a particular asset class, or securities of issuers within a particular business sector, it is subject to increased risk. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. Brokerage commissions will reduce returns

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