

ROBO GLOBAL ETFS: Q3 IN REVIEW

ROBO, HTEC, and THNQ

SUMMARY

The Robotics & Automation Index ETF ([ROBO](#)), the Artificial Intelligence ETF ([THNQ](#)), and the Healthcare Technology & Innovation ETF ([HTEC](#)) were not immune to the September sell-off in equity markets and declined marginally in Q3. While investors debate the near-term growth and inflation outlook, businesses around the world are striving to accelerate their digitization and deploying automation at a record pace. In this report, we discuss key trends and big movers across our innovation portfolios.

PERFORMANCE (%)

ROBO Global ETFs	Date of Inception	SI	3Q2021	1-year	3-year	5-year
ROBO @ NAV	10/21/2013	12.94%	-0.89%	34.70%	15.82%	18.26%
ROBO @ MKT PRICE	10/21/2013	12.89%	-1.23%	34.17%	15.78%	18.08%
THNQ @ NAV	5/11/2020	46.72%	-0.77%	32.39%	---	---
THNQ @ MKT PRICE	5/11/2020	46.63%	-1.07%	32.07%	---	---
HTEC @ NAV	6/25/2019	31.84%	-5.35%	30.40%	---	---
HTEC @ MKT PRICE	6/25/2019	31.93%	-5.38%	30.49%	---	---

The performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original costs. Current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please call 1-855-456-7626 or visit www.roboglobletfs.com. (SI) since inception

Expense ratios –

ROBO: 0.95%, **HTEC:** 0.68%*, **THNQ:** 0.68%*

High short-term performance of the fund is unusual and investors should not expect such performance to be repeated.

*The advisor has contractually agreed to waive fees through August 31, 2022.

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. Market price returns. NAVs are calculated using prices as of 4:00 PM Eastern Time. The returns shown do not represent the returns you would receive if you traded shares at other times.

MARKET COMMENTARY

Global equities declined slightly in the third quarter of 2021, with marginal gains in the US largely offset by declines in emerging markets and a sell-off in China in particular. While strong earnings had supported stocks in the run-up to August, growth and inflation concerns led to declines in September, erasing prior gains. Against that backdrop, the ROBO Global ETFs demonstrated resilience, with the [Robotics & Automation ETF](#) declining 1.23%, the [Artificial Intelligence ETF](#) declining 1.07%, and the [Healthcare Technology & Innovation ETF](#) declining 5.38%.

Our view that 2021 would be a boom year has largely played out and the global economic rebound continues to maintain significant momentum. And with the Delta variant wave having peaked, we see ample room for earnings to continue to grow above historical averages as pent-up demand for re-engagement is unleashed. However, investors are growing increasingly concerned about the rising spectrum of inflation and a potential need for a more meaningful tightening of monetary policy. Indeed, policy makers around the world have remained surprisingly supportive of massive fiscal and monetary stimulus in the face of rising prices and increasingly conspicuous shortages – think semiconductors, but also labor, in the US.

While they certainly would not be immune to a meaningful correction in the equity markets, we believe our robotics, AI, and healthcare technology portfolios are well positioned to capture the long-term growth and returns presented by this technology revolution and accelerated by the COVID-19 pandemic. Businesses around the world are striving to digitize and automate to increase efficiency and adapt to rapid changes in consumer expectations. This has led to a clear acceleration in M&A in the past 18 months, despite the significant business disruptions during the pandemic. In fact, it's fair to say that robotics, AI, and healthcare technology are seeing a perfect storm of capital. Three quarters into 2021, we are looking at another record year for mergers, acquisitions, and venture funding, and we have a record number of birth of unicorns and big IPOs, as [discussed in our recent research](#).



ROBO: ROBOTICS & AUTOMATION ETF

Robotics and automation stocks marginally outperformed global equities in Q3, with the **ROBO Global Robotics & Automation ETF** (NYSE: ROBO) declining 1.23%* in the quarter.

ROBO GLOBAL® ROBOTICS & AUTOMATION ETF - Growth of \$10,000



Data as of ETF inception on October 21, 2013 through September 30, 2021. Source: ROBO Global®, SEI.
The Growth of \$10,000 chart reflects a hypothetical \$10,000 investment and assumes reinvestment of dividends and capital gains.
Fund expenses, including management fees and other expenses were deducted.
Past performance does not guarantee future results.

% Weight by Subsector



Application	58%
Manufacturing & Industrial	17%
Healthcare	12%
Logistics Automation	12%
Business Process Automation	6%
Food & Agriculture	5%
3D Printing	4%
Autonomous Systems	2%
Technologies	42%
Computing & AI	14%
Actuation	12%
Sensing	9%
Integration	7%

ROBO Subsector (Total Return)	Q3 2021	Past 12 mo.
3D Printing	-22.1%	110.5%
Actuation	-11.0%	10.9%
Autonomous Systems	-16.1%	25.5%
Business Process Automation	9.4%	27.7%
Computing & AI	3.8%	53.7%
Food & Agriculture	2.2%	67.3%
Healthcare	0.9%	36.6%
Integration	8.5%	41.1%
Logistics Automation	1.0%	32.9%
Manufacturing & Industrial Automation	2.7%	45.5%
Sensing	-1.3%	13.9%
ETF TOTAL	-0.9%	34.7%

MARKET COMMENTARY

For the first time since 2017, we are seeing bottlenecks in parts of the robotics and automation supply chain, with lead times and wait lists extending for new orders. This is particularly true in logistics and warehouse automation, where demand for equipment and software is supported by the boom in e-commerce and supply chain disruptions. We believe that the cyclical recovery in industrial automation remains in full swing and consider it a high probability that factory automation earnings will reach a new high next year.

*represents ROBO US (Market Price) annualized returns as of 9/30/2021.

HTEC: HEALTHCARE TECHNOLOGY & INNOVATION ETF

The **ROBO Global Healthcare Technology & Innovation ETF** (NYSE: HTEC) posted a -5.38%* loss in Q3 2021.

ROBO GLOBAL® HEALTHCARE TECHNOLOGY AND INNOVATION ETF - Growth of \$10,000



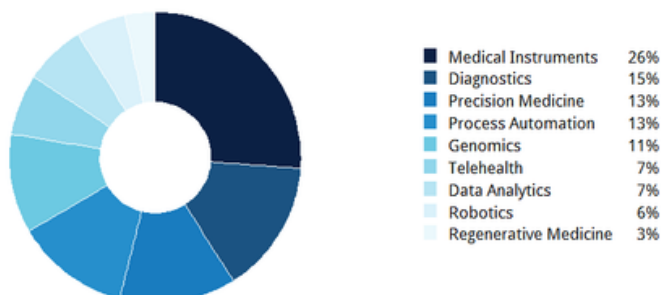
Data as of ETF inception on June 25, 2019 through September 30, 2021. Source: ROBO Global®, SEI.
The Growth of \$10,000 chart reflects a hypothetical \$10,000 investment and assumes reinvestment of dividends and capital gains.
Fund expenses, including management fees and other expenses were deducted.
Past performance does not guarantee future results.

MARKET COMMENTARY

Three of the nine HTEC subsectors delivered positive returns: **Process Automation**, **Diagnostics**, and **Robotics**. **Telehealth** and **Regenerative Medicine** lagged with double digit losses, respectively. During the quarter, the Chinese government announced its intention to review the regulation of healthcare technology platforms, raising uncertainty regarding the future profitability of companies in this space, and driving a sell-off of HTEC holdings.

HTEC Subsector (Total Return)	Q3 2021	Past 12 mo.
Data Analytics	-16.0%	18.5%
Diagnostics	5.7%	20.1%
Genomics	-10.1%	57.8%
Medical Instruments	-8.1%	36.8%
Precision Medicine	-4.0%	29.8%
Process Automation	10.3%	61.1%
Regenerative Medicine	-18.6%	13.2%
Robotics	4.0%	57.4%
Telehealth	-30.6%	-50.6%
ETF TOTAL	-5.3%	30.4%

% Weight by Subsector



*represents HTEC US (Market Price) annualized returns as of 9/30/2021.

THNQ: ARTIFICIAL INTELLIGENCE ETF

The **ROBO Global Artificial Intelligence ETF** (NYSE: THNQ) declined 1.07%* in 3Q, slightly outperforming global market indices. After a pullback in 1Q and subsequently strong Q2, we continue to see strong top-line revenue and EPS growth, with macro headwinds facing off with record current and projected demand across AI infrastructure and applications.

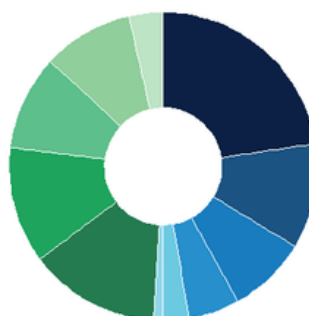
ROBO GLOBAL® ARTIFICIAL INTELLIGENCE ETF - Growth of \$10,000



Data as of ETF inception on May 11, 2020 through September 30, 2021. Source: ROBO Global®, SEI.
The Growth of \$10,000 chart reflects a hypothetical \$10,000 investment and assumes reinvestment of dividends and capital gains.
Fund expenses, including management fees and other expenses were deducted.
Past performance does not guarantee future results.

THNQ Subsector (Total Return)	Q3 2021	Past 12 mo.
Big Data/Analytics	-4.9%	13.2%
Business Process	3.5%	28.6%
Cloud Providers	-8.4%	46.3%
Cognitive Computing	1.1%	38.7%
Consulting Services	8.8%	42.4%
Consumer	-3.2%	7.2%
Ecommerce	-4.1%	28.1%
Factory Automation	2.6%	37.9%
Healthcare	-8.2%	56.4%
Network & Security	10.7%	68.8%
Semiconductor	0.7%	61.1%
ETF TOTAL	-0.8%	32.4%

% Weight by Subsector



Applications & Services	51%
Business Process	23%
Ecommerce	11%
Consumer	8%
Healthcare	5%
Factory Automation	3%
Consulting Services	1%
Infrastructure	49%
Semiconductor	14%
Big Data/Analytics	12%
Network & Security	10%
Cloud Providers	9%
Cognitive Computing	4%

*represents THNQ US (Market Price) annualized returns as of 9/30/2021.

MARKET COMMENTARY

Six of the 11 subsectors posted positive returns, with [Network & Security](#), [Consulting Services](#), and [Business Process](#) leading the way, while [Cloud Providers](#), [Healthcare](#), and [Big Data](#) underperformed.

Network and Security subsectors outperformed for the second consecutive quarter, driven by increasing need for next-generation security solutions spurred by accelerated adoption of cloud infrastructure.

Meanwhile, Cloud Provider subsector experienced mixed results. Valuations are near a 2-year low, and we anticipate recovery by the Chinese cloud providers over the coming quarters as the overhang on these companies are mitigated.

ROBO

ROBO Global Robotics & Automation Index ETF

Ticker: ROBO
Fund Launch Date: 10/21/2013
Fund Type: Passive ETF
CUSIP: 301505707
Primary Exchange: NYSE Arca

funds.roboglobal.com/robo

SUBSECTOR	EXPOSURE
Application	57.74%
3D Printing	3.78%
Autonomous Systems	1.69%
Business Process Automation	6.45%
Food & Agriculture	5.41%
Healthcare	12.11%
Logistics Automation	11.78%
Manufacturing & Industrial Automation	16.51%
Technologies	41.99%
Actuation	11.97%
Computing & AI	13.66%
Integration	6.95%
Sensing	9.41%

TOP 10 HOLDINGS	WEIGHT
BROOKS AUTOMATION INC	2.10%
IRHYTHM TECHNOLOGIES INC	1.86%
IROBOT CORP	1.69%
KARDEX HOKLDING AG	1.69%
INTUITIVE SURGICAL INC	1.68%
FANUC CORP	1.61%
AIRTAC INTERNATIONAL GROUP	1.59%
KEYENCE CORP	1.58%
DAIFUKU CO LTD	1.55%
IPG PHOTONICS CORP	1.54%
TOTAL	16.97%

Subject to change. Current and future holdings subject to risk.

HTEC

ROBO Global Healthcare Technology & Innovation ETF

Ticker: HTEC
Fund Launch Date: 06/24/2019
Fund Type: Passive ETF
CUSIP: 301505723
Primary Exchange: NYSE Arca

funds.roboglobal.com/htec

SUBSECTOR	EXPOSURE
Data Analytics	6.72%
Diagnostics	14.83%
Genomics	10.97%
Medical Instruments	26.16%
Precision Medicine	12.91%
Process Automation	12.66%
Regenerative Medicine	3.35%
Robotics	5.55%
Telehealth	6.75%

TOP 10 HOLDINGS	WEIGHT
IRHYTHM TECHNOLOGIES INC	1.85%
DEXCOM INC	1.57%
THERMO FISHER SCIENTIFIC INC	1.57%
BOSTON SCIENTIFIC CORP	1.51%
INSULENT CORP	1.47%
INTUITIVE SURGICAL INC	1.45%
PENUMBRA INC	1.44%
CHARLES RIVER LABORATORIES INTERNATIONAL INC	1.43%
AXOGEN INC	1.42%
VERACYTE	1.42%
TOTAL	15.14%

Subject to change. Current and future holdings subject to risk.

THNQ

ROBO Global Artificial Intelligence ETF

Ticker: THNQ
Fund Launch Date: 05/11/2020
Fund Type: Passive ETF
CUSIP: 301505731
Primary Exchange: NYSE Arca

<https://funds.roboglobal.com/thnq>

SUBSECTOR	EXPOSURE
Applications & Services	50.95%
Business Process	22.62%
Consulting Services	0.94%
Consumer	8.27%
Ecommerce	11.00%
Factory Automation	2.78%
Healthcare	5.34%
Infrastructure	48.93%
Big Data/Analytics	12.23%
Cloud Providers	9.49%
Cognitive Computing	3.58%
Network & Security	9.93%
Semiconductor	13.71%

TOP 10 HOLDINGS	WEIGHT
ANALOG DEVICES INC	1.82%
ATLASSIAN CORP PLC	1.79%
SALESFORCE.COM INC	1.75%
INTERNATIONAL BUSINESS MACHINES CORP	1.75%
ALTERYX INC	1.70%
AMAZON.COM INC	1.67%
TENCENT HOLDINGS LTD	1.66%
BAIDU INC	1.66%
IROBOT CORP	1.66%
MICROSOFT CORP	1.65%
TOTAL	17.11%

Subject to change. Current and future holdings subject to risk.

¹ Data as of September 30, 2021, Source: ROBO Global®, S&P CapitalIQ, For standardized performance data current to the most recent month end, please visit www.roboglobletfs.com.

RISK DISCLOSURE AND IMPORTANT INFORMATION

Exchange Traded Concepts, LLC serves as the investment advisor of the funds. The Funds are distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Exchange Traded Concepts, LLC or any of its affiliates. Check the background of SIDCO on FINRA's BrokerCheck.

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

Investing involves risk, including the possible loss of principal. 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. Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. There is no guarantee the funds will achieve their stated objective. THNQ is non-diversified.

The liquidity of the A-shares market and trading prices of A-shares could be more severely affected than the liquidity and trading prices of other markets because the Chinese government restricts the flow of capital into and out of the A-shares market. The funds may experience losses due to illiquidity of the Chinese securities markets or delay or disruption in execution or settlement of trades.

The risks associated with investments in Robotics and Automation Companies 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. Robotics and Automation Companies, especially smaller, start-up companies, tend to be more volatile than securities of companies that do not rely heavily on technology. Rapid change to technologies that affect a company's products could have a material adverse effect on such company's operating results. Robotics and Automation Companies may rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by these companies to protect their proprietary rights will be adequate to prevent the misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology.

The risks associated with Artificial Intelligence (AI) Companies include, but are not limited to, small or limited markets, changes in business cycles, world economic growth, technological progress, rapid obsolescence, and government regulation. Rapid change to technologies that affect a company's products could have a material adverse effect on such company's operating results. AI Companies also rely heavily on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by these companies to protect their proprietary rights will be adequate to prevent the misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology. AI Companies typically engage in significant amounts of spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful.

The risks associated with Medical Technology Companies 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.

Diversification may not protect against market risk.