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F/m Emerald Life Sciences Innovation ETF

Fund Facts

as of 06/30/2026

Ticker	LFSC
Exchange	NASDAQ
CUSIP	74933W221
Inception Date	10/30/2024
Gross Expense Ratio *	0.79%
Net Assets	$121.85 M
# of Holdings	38

Objective

Strategic Innovation Fueling Growth

Emerald invests in Life Sciences companies that embrace strategic innovation, driving the development of new therapies, technologies, and healthcare solutions to create value and foster long-term growth.

Biotechnology | Healthcare | Pharmaceuticals | Medical Equipment | Medical Services

Innovative companies are those developing new products or reinventing/redesigning existing products/services, with the goal of generating value for their customers, creating a competitive advantage and/or driving business growth.

** Gross expense ratio: 0.79%/Net expense ratio: 0.54% with initial Adviser waiver/reimbursement (contractually obligated until December 31, 2026)*

Each quarter, our portfolio management team will provide a review of the ETF's performance, including how its performance relates to broader market trends and individual holdings that have contributed to or detracted from its performance results. As a reminder, your LFSC portfolio management team has worked at LFSC's investment sub-advisor for an average 27 years, and averages 29 years of industry experience. We thank you for your investment in LFSC and welcome your feedback at info@teamemerald.com.

Market Environment

Better than expected corporate earnings growth drove broad-based equity market gains, with every size and style segment posting positive returns. Small capitalization stocks were the standout, as the Russell 2000 outperformed the Russell 1000 (+15.14%), S&P 500 (+15.20%), and Russell 3000 (+15.44%). While the sizable outperformance of the technology sector dominated the headlines, the broadening of the market was evident in the performance of the healthcare sector of the Russell 3000 Index which gained +10.48%. Performance of the Russell 3000 biotechnology industry, which gained 17.54% was particularly encouraging given the upward pressure on treasury yields. A strong biotech Mergers and Acquisitions backdrop, more stability at the FDA, a robust clinical catalyst pipeline, encouraging clinical progress, a solid pace of novel drug approvals by the FDA, and the ongoing successful commercialization of recently approved drugs have collectively contributed to the improving sentiment.

Performance Review

The F/M Emerald Life Sciences Innovation ETF posted a total return at NAV of +29% for the second quarter ended June 30, 2026, significantly outpacing the Russell 3000 Healthcare Sector's +10.5% gain. The portfolio's sizeable outperformance was driven by a combination of strong stock selection and the portfolio's relative overweight position to the biotechnology and pharmaceuticals industries, which represented approximately 76.5% of the portfolio for the period. Emerald's portfolio benefited from continued clinical development, new drug approvals by the FDA, and the continued unprecedented pace of M&A for therapeutics companies. The strong performance of the portfolio's molecular diagnostic holdings held inside of the biotechnology industry also contributed to the portfolio's relative outperformance. Holdings and positioning within the medical equipment and healthcare services industries also positively contributed to performance.

At the holdings level the top contributors were Travere Therapeutics and Spyre Therapeutics.

Shares of Travere Therapeutics gained +91% during the quarter as the FDA granted a label expansion for their kidney drug to treat a second indication called Focal Segmental Glomerular Sclerosis (FSGS). We believe the trajectory of the launch in FSGS will be very strong. This is the first approved therapy for the treatment of FSGS and Travere already has the sales infrastructure in place to detail nephrologists. FSGS is a serious kidney disease that typically strikes people in their fourth or fifth decade of life and results in dialysis within five years of diagnosis. Patients and physicians should be motivated to treat this disease.

Shares of Spyre Therapeutics gained +76% during the quarter as the company reported positive data from their Part A of the Phase 2 SKYLINE trial of SPY002. SPY002 is potentially a best-in-class anti-TL1A antibody being investigated for the treatment of moderate-to-severely active ulcerative colitis (UC) patients. We remain encouraged by the robust pipeline of drugs Spyre has assembled for treatment of ulcerative colitis in addition to the new diseases like rheumatoid arthritis where Spyre is at the forefront of testing novel mechanisms.

The only significant detractor to the portfolio was TransMedics Group. Shares of TransMedics traded lower by (33%) in the quarter after the company reported first quarter financial results that missed consensus expectations. The company reiterated the previously provided guidance for 20%-25% revenue growth for the full year 2026 but analysts lowered their expectations to the low end of that range reflecting the overall softness in the heart and lung transplant market in the first quarter. The portfolio continues to hold a position in TransMedics as we continue to believe the company has one of the best technologies for transporting organs needed by transplant centers and believe there remain meaningful growth drivers for the company in 2027.

Market Outlook

We are encouraged by the performance of the healthcare sector, and particularly the biotechnology industry. The FDA's decision to revisit several drug candidates rejected under the prior FDA leadership and the continuation of high-profile M&A contributed further to the positive inflection in sector sentiment. As we look forward, we believe that the pace of M&A in the biotechnology/pharmaceuticals industries is set to continue. The top pharmaceutical companies face an estimated $300 billion in revenue patent cliffs by 2030. Efforts to mitigate this headwind are driving M&A activity, as these companies are actively scouting for later stage assets that can bridge that revenue gap. Through the first six months of the year biotech M&A is tracking to be the second highest ever in terms of dollar value and more importantly is on pace for a record number of deals. YTD, there have been twenty-one biotechnology M&A transactions >$1B through June 30, 2026. The previous record was set in 2025 with twenty-six such transactions. As of June 30, 2026, the F/M Emerald Life Sciences Innovation ETF holdings within the biotechnology and pharmaceuticals industries represented approximately 80% of the portfolio.

The F/M Emerald Life Sciences Innovation ETF also continues to have significant exposure to cutting-edge diagnostic companies that utilize the breakthroughs in the fields of liquid biopsy. This technology has applications from cancer screening to the identification of mutations and other genomic changes that can help a physician select targeted therapies or immunotherapies that might be most effective for a patient's cancer. This area remains a significant source of growth and innovation. The medical device industry, conversely, has experienced weaker relative performance throughout the first half of 2026 as the combination of both cyclical and policy driven headwinds has weighed on healthcare utilization trends and pressured multiples across the medical device industry. We believe that sentiment for medtech likely troughed in the 1H of 2026, alongside utilization, and will look to take advantage of the dislocation in the industry if utilization trends improve over the balance of 2026 as we anticipate.

Quarter-End Performance

as of 06/30/2026

	YTD	1 Month	3 Months	6 Months	1 Year	Since Inception
NAV (Net Asset Value)	23.41%	14.69%	29.01%	23.41%	83.92%	42.66%
MKT (Market Price)	23.46%	14.76%	29.20%	23.46%	83.61%	42.70%

Returns for periods greater than one year are annualized. 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. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end may be obtained by calling 800-722-4123 or visiting www.emeraldetfs.com.

Top 10 Holdings

as of 06/30/2026

Company	Ticker	Weightings
Travere Therapeutics Inc	TVTX	8.05%
Cogent Biosciences Inc	COGT	7.26%
LivaNova PLC	LIVN	6.90%
Spyre Therapeutics Inc	SYRE	6.75%
Guardant Health Inc	GH	5.56%
Corcept Therapeutics	CORT	5.23%
Mirum Pharmaceuticals Inc	MIRM	4.94%
Billiontoone Inc	BLLN	4.29%
Cytokinetics Inc	CYTK	4.26%
VeraDermics Inc	MANE	3.63%

Holdings subject to change

Morningstar Health Peer Ranking

as of 06/30/2026

(Based on Total Returns)	1-Year
LFSC Percentile Ranking	5
# of Funds in Peer Group	167

Definitions

Russell 1000 Index: Consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose.

Russell 2000 Index: The most commonly used benchmark for measuring the performance of small-cap stocks. Updated annually by FTSE Russell, the Russell 2000 consists of the 1,001st through 3,000th largest companies in the U.S. in terms of market cap.

Russell 2000 Health Care Index: A benchmark that tracks the performance of health care companies within the Russell 2000 Index. The Russell 2000 Health Care Index helps investors and analysts understand the performance of small-cap health care companies within the broader US equity market. The index is designed to measure the performance of small-cap health care companies, providing investors with a way to track the specific performance of this segment.

Russell 3000 Index: The Russell 3000 Index is a market-capitalization-weighted equity index maintained by FTSE Russell that provides exposure to the entire U.S. stock market. The index tracks the performance of the 3,000 largest U.S.-traded stocks which represent about 98% of all U.S incorporated equity securities.

Russell 3000 Health Care Index: A subset of the Russell 3000 Index, specifically focusing on companies within the healthcare sector. It tracks the performance of these healthcare companies, providing investors with a benchmark for the overall health of the healthcare market.

Russell Mid Cap Index: An index maintained and updated by FTSE Russell, the Russell Mid Cap Index is comprised of 800 publicly traded U.S. companies with market caps of between $2 and $10 billion.

S&P 500 Index: The Standard & Poor's index of 500 stocks is a popular standard for measuring stock market performance among the biggest, most broadly-based companies in the U.S.

Disclosures

The F/m Emerald Life Sciences Innovation ETF was rated against the following numbers of US Health Funds over the following time periods: 167 funds in the last one-year.

Morningstar classifies funds into categories based on similar investment objective and strategy. Morningstar percentile rankings are based on a fund's total return compared to its Morningstar Category of exchange-traded and open-end mutual funds. The highest percentile rank is 1 and the lowest percentile rank is 100. The fund's rankings may have been lower were it not for fee waivers in effect during the ranking periods. Rankings are relative to a peer group and do not necessarily mean the fund had high or positive total returns. Morningstar updates its fund rankings daily. **Past performance does not guarantee future results**.

Investing involves risk. Principal loss is possible. The Fund focuses its investments in securities of companies that are categorized in the “life sciences” sector, including companies in the pharmaceutical, biotechnology, health care services, and medical device industries. Because of this, companies in the Fund’s portfolio may share common characteristics and may be more sensitive to changes in government funding or subsidies, new or anticipated legislative changes, or technological advances.

To the extent the Fund focuses on the health care sector, the Fund may be more susceptible to the particular risks that may affect companies in the health care sector than if it were invested in a wider variety of companies in unrelated sectors. Cyber security risk is the risk of an unauthorized breach and access to Fund assets, Fund or customer data (including private shareholder information), or proprietary information, or the risk of an incident occurring that causes the Fund, the investment adviser, custodian, transfer agent, distributor and other service providers and financial intermediaries to suffer data breaches, data corruption or lose operational functionality or prevent Fund investors from purchasing, redeeming or exchanging shares or receiving distributions.

Investments in securities of micro- and small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of larger-capitalization companies. The Fund invests in the securities of foreign companies. Investing in securities of foreign companies involves risks generally not associated with investments in the securities of U.S. companies, including the risks associated with fluctuations in foreign currency exchange rates, less stringent investor protections, unreliable and untimely information about issuers, and political and economic instability.

ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a premium or discount to its net asset value, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact an ETF's ability to sell its shares. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. Brokerage commissions will reduce returns.

An investor should consider the investment objectives, risks, and charges and expenses of the fund carefully before investing. A prospectus, which contains this and other information about the fund, may be obtained by calling 1-800-617-0004/visiting www.emeraldetfs.com. The prospectus should be read carefully before investing.

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