

## BioShares™ Biotechnology Clinical Trials ETF (Nasdaq: BBC)

## BioShares™ Biotechnology Products ETF (Nasdaq: BBP)

As of 6/30/17

### INVESTMENT OBJECTIVES

The BioShares™ Biotechnology Products Fund (BBP) and BioShares™ Biotechnology Clinical Trials Fund (BBC) seek investment results that correspond, before fees and expenses, to the price and yield performance of the LifeSci Biotechnology Products Index and the LifeSci Biotechnology Clinical Trials Index, respectively.

### FUND STRATEGIES

Biotechnology investors gain exposure to one of the most exciting, high-growth sectors in the global economy today. These companies are in the business of designing drugs that save lives. Everything ranging from antivirals, antibiotics and cancer-fighting medicines to gene therapies, cell-based therapies and enzyme replacement therapies are developed in the biotech sector.

The BioShares funds are designed to allow investors to select their desired exposure to two distinct stages of a public biotechnology company:

- BBC invests in Clinical Trials stage biotechnology companies.
- BBP invests in Products stage biotechnology companies.

Clinical Trials stage companies are typically younger, smaller companies which do not have a drug approved, but instead focus on testing their experimental drug candidates in human clinical trials. Successful companies prudently manage their balance sheets through financings and partnerships in order to develop their potential blockbuster drugs.

Products stage companies are typically more established companies with much clinical trial failure risk behind them. They have already successfully completed multiple human clinical trials and have received FDA approval to sell and market a drug. They devote more of their energies toward educating patients, physicians and insurance providers in order to drive sales and profit growth.

With BBP and BBC, investors are able to make this crucial distinction in their investment portfolios and select different exposures to two dramatically different groups of biotechnology companies with unique risk/reward profiles. No other ETF on the market allows investors this opportunity.

Clinical Trials Companies	Product Companies
No product sales; focused on clinical trial success	Focused on driving sales ramp
Major binary event risk (trial results, FDA)	Less significant binary event risk
Managing cash burn rate and equity financing strategy	Cash flow positive, or expected in near term
Typically smaller market cap companies	Typically larger market cap companies
Higher volatility stocks	Lower volatility stocks

### FUND INFORMATION

<b>Inception Date</b>	12/16/2014	12/16/2014
<b>Ticker Symbol</b>	BBC	BBP
<b>CUSIP</b>	26923G301	26923G202
<b>Listing Exchange</b>	NASDAQ	NASDAQ
<b>Total Expenses</b>	0.85%	0.85%
<b>IOPV Symbol</b>	BBC.IV	BBP.IV
<b>NAV Symbol</b>	BBC.NV	BBP.NV

IOPV, or Indicative Optimized Portfolio Value, is a calculation disseminated by the stock exchange that approximates the Fund's NAV every fifteen seconds throughout the trading day.

The underlying LifeSci Biotechnology Indexes are equal-weighted indexes and are reconstituted and rebalanced semi-annually on June 15<sup>th</sup> and December 15<sup>th</sup> of each year.

### FUND MANAGEMENT

<b>Advisor</b>	Virtus ETF Advisers, LLC
<b>Sub-Advisor</b>	LifeSci Index Partners, LLC
<b>Distributor</b>	ETF Distributors LLC
<b>Custodian</b>	BNY Mellon
<b>Index Calculation Agent</b>	Indxx, LLC

### TOP FUND HOLDINGS

To view the full list of holdings, please visit [bioshares.com](http://bioshares.com)

BBC (74 Stocks)	BBP (36 Stocks)
Beigene Ltd	Clovis Oncology
Immunogen	Exelixis
Portola Pharmaceuticals	Vanda Pharmaceuticals
Arena Pharmaceuticals	Acorda Therapeutics
Blueprint Medicines	Keryx Biopharmaceuticals
Esperion Therapeutics	Theravance Biopharma
Calithera Biosciences	Radius Health
Reata Pharmaceuticals	Enanta Pharmaceuticals
Juno Therapeutics	Celgene Corp
Dynavax Technologies	Incyte Corp

**BioShares™ Biotechnology Clinical Trials ETF (Nasdaq: BBC)**  
**BioShares™ Biotechnology Products ETF (Nasdaq: BBP)**

As of 6/30/17

BBC Performance as of 6/30/17	1 Month (Jun-17)	Q2 2017	2017 Year-to-Date	1 Year	Annualized Since Inception
NAV	14.48 %	3.58 %	30.23 %	32.73 %	-(1.42)%
Market Price	14.44 %	3.56 %	30.19 %	32.86 %	-(1.44)%
Index Performance	14.89 %	3.90 %	30.82 %	33.89 %	-(0.81)%

  

BBP Performance as of 6/30/17	1 Month (Jun-17)	Q2 2017	2017 Year-to-Date	1 Year	Annualized Since Inception
NAV	11.52 %	4.84 %	20.56 %	46.00 %	20.37 %
Market Price	11.92 %	5.04 %	20.74 %	46.29 %	20.45 %
Index Performance	11.61 %	4.84 %	20.70 %	47.38 %	21.41 %

Total Annual Fund Operating Expenses: 0.85% (BBC &amp; BBP)

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [www.bioshares.com](http://www.bioshares.com) for performance data current to the most recent month-end.

NAV returns are calculated using the Fund's daily 4:00 p.m. NAV, and include the reinvestment of all dividends and other distributions (reinvested at the Fund's NAV on distribution ex-date). Market price returns are calculated using the 4:00 pm midpoint between the bid and offer, and include the reinvestment of all dividends and other distributions (reinvested at the 4:00pm bid/offer midpoint on distribution ex-date). Market price returns do not represent the return you would receive if you traded at other times.

Carefully consider the respective investment objectives, risk factors and charges and expenses of the BioShares™ Biotechnology Clinical Trials Fund and the BioShares™ Biotechnology Products Fund (the "Funds") before investing. This and other information can be found in the Funds' prospectus, available at [www.bioshares.com](http://www.bioshares.com) or by calling 1-888-383-4184. Read the prospectus carefully before investing.

**Exchange Traded Funds:** The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

**Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

**Market Price/NAV:** At the time of purchase and/or sale, an investor's shares may have a market price that is above or below the fund's NAV, which may increase the investor's risk of loss.

**Correlation to Index:** The performance of the fund and its index may vary somewhat due to factors such as fund flows, transaction costs, and timing differences associated with additions to and deletions from its index.

**Non-Diversified:** The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund's assets.

**No Guarantee:** There is no guarantee that the portfolio will meet its objective.

**Prospectus:** For additional information on risks, please see the fund's prospectus.

Virtus ETF Advisers, LLC serves as the investment adviser and LifeSci Index Partners, LLC serves as the sub-adviser to the Funds. The Funds are distributed by ETF Distributors LLC, an affiliate of Virtus ETF Advisers, LLC. LifeSci Index Partners, LLC also serves as the index provider for the related indexes.