



SAMT

STRATEGAS MACRO THEMATIC OPPORTUNITIES ETF

Thematic Overview
January 2025

1. Artificial Intelligence

- a. **Theme Description** - The growth of ChatGPT has provided the catalyst for companies to aggressively seek ways to utilize artificial intelligence (AI) as a method to enhance productivity as investors are recognizing the importance this technological advancement will potentially play in enhancing an organization's bottom line.
- b. **Thesis** - Investment options within this theme range from traditional technology companies to automotive to healthcare to any company type looking utilize AI as a productivity enhancer and problem-solver while decreasing the risk of human error. For SAMT, we look for those organizations who create and provide software applications capable of offering intelligent learning, coding, data analytics, linguistics, neuroscience as well as other organizations who utilize AI in an attempt to enhance productivity or those in search of more efficient and effective methods to perform their services or enhance their products.
- c. **Variant perception** - An investment in a technology heavy theme seems to go against our longer-term viewpoint of an impending recession, which historically has seen sectors traditionally thought of as defensive, such as healthcare and consumer staples, outperform sectors such as technology or communications. However, we view artificial intelligence as a productivity enhancer that will be heavily relied on by corporations well past any potential downturn in the market.

2. Industrial Power Renaissance

- a. **Theme Description** - Artificial intelligence requirements, a push for electric vehicles along with new manufacturing and data centers have created a surge in demand for power - particularly electricity - creating additional strain on already aging utility infrastructure.
- b. **Thesis** - Positioning for this surge in power demand, we believe in investing in all-encompassing, power related securities consisting of those directly involved in creating sources of power. In addition, we also invest in securities whose businesses are a secondary beneficiary from the add-on impacts due to the creation or usage of increased power generation.
- c. **Variant perception** - Investing in securities deemed strictly utility companies could prove difficult should government controls become too onerous for the company to run efficiently. Furthermore, pushback could also arise from excessive rise in costs associated with artificial intelligence initiatives.



3. De-Globalization

- a. **Theme Description** - Supply-chain disruptions from both the COVID-19 virus and Russia's invasion of Ukraine over the past two years have resulted in companies considering near-shoring operations, as countries realize the importance of self-reliance when it comes to energy and food supplies, along with the increased desire and spending for security (both military and cybersecurity).
- b. **Thesis** - In order to position for this then, we believe the opportunities lie in energy and material companies that benefit from established operations, cybersecurity companies that will benefit from spending both by government organizations and corporate America, the traditional defense sectors, and companies which are more reliant on domestic revenues and input goods predominately produced domestically.
- c. **Variant perception** - The pushback to this theme is that the long term move towards globalization has been ingrained in the mindset of many investors and c-suites, likely meaning the transition is going to take decades, which makes it challenging to invest in directly.

4. Cash Flow Aristocrats

- a. **Theme Description** - Believing the single biggest change to the financial markets in 2022 was the transition from quantitative easing to quantitative tightening leads us to believe that interest expense will inevitably consume a greater share of corporate cash and thus companies with an ability to generate enough cash to self-fund should have a significant advantage in this environment.
- b. **Thesis** - With the expectation that the cost of capital is now higher, we believe owning companies that place a greater emphasis on cash - both on hand and in the future via operations and management - will do well. Investments in organizations that have shown excellent cash management, ability to create revenue and cash flow, while also showing declining capital expenditures as well as providing income to shareholders.
- c. **Variant perception** - As a probable recession draws near will the Fed pivot to easier monetary policy, reversing the move in interest rates, dropping the cost of capital and need to remain diligent with cash management?

Important Disclosures & Definitions

NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Market Price: The current price at which shares are bought and sold. The 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, and do not represent the returns you would receive if you traded shares at other times. NAVs are calculated using prices as of 4:00 PM Eastern Time.

Carefully consider the Fund's investment objectives, risk, and charges and expenses. This and other information can be found in the Fund's summary or full prospectus which can be obtained by calling (855) 273-7227 or by visiting strategasetfs.com. Please read the prospectus, carefully before investing.

The Fund is new and has a limited operating history. The Fund 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. An investment in the fund involves risk, including possible loss of principal. In addition to the normal risks associated with investing, the Fund is subject to macro-thematic trend investing strategy risk. Therefore, the value of the Fund may decline if, among other reasons, macro-thematic trends believed to be beneficial to the Fund do not develop as anticipated or maintain over time, or the securities selected for inclusion in the Fund's portfolio do not perform as anticipated. The Fund may be more heavily invested in particular sectors and may be especially sensitive to factors and economic risks that specifically affect those sectors. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility. Strategas Asset Management, LLC serves as the investment advisor of the Fund and Vident Investment Advisory, LLC serves as a sub advisor to the Fund. The Fund is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Strategas Asset Management, LLC or any of its affiliates. Shares of any ETF are generally bought and sold at market price (not NAV) and are not individually redeemed from the fund. Brokerage commissions will reduce returns. Indices are unmanaged and do not include the effect of fees, expenses or sales charges. One cannot invest directly in an index.

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