

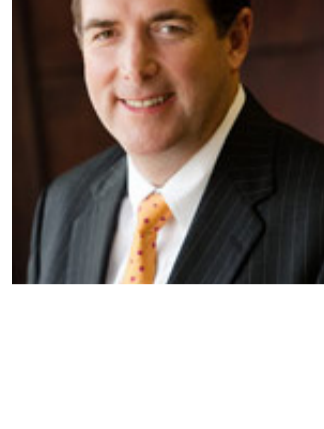
NASHVILLE AREA ETF 10 BEST

To see a list of the Nashville Area ETF holdings' 10 best performers since inception [click here](#). And check out the NASH industry breakdown below.

YEAR IN REVIEW

Bill Decker Decker Wealth Management LLC

December 31, 2014 marked the close of the first full calendar year for the Nashville Area ETF (NYSE: NASH). We thought this would be an ideal time to hear from Bill Decker, of Decker Wealth Management LLC, who serves as the sub-advisor for NASH and manages the portfolio.



As you reflect on the fund's first full year of operations, what are your thoughts?

The teams at LocalShares LLC and at Decker Wealth Management LLC are extremely pleased with the overall performance of the fund, and more specifically with how well it has performed for the shareholders of NASH. Trading of NASH began on August 1, 2013 at a net asset value (NAV) of \$25.00 per share. The fund closed out 2014 with an NAV of \$31.11. In addition, with the distribution of dividends and gains received over that time, this works out to be a 28.37% (NAV) cumulative return since launch. The total return for the 2014 calendar year was 17.32% (NAV). We hope the shareholders of NASH are just as pleased by this as we are.

NASH has also continued to grow in 2015, increasing the overall Assets Under Management (AUM) from \$6.7 million at the beginning of 2014, to nearly \$11 million as of January 23, 2015.

CALENDAR QUARTER END as of 12/31/2014

Fund Inception Date
7/31/2013

Annual Fund Operating Expenses
0.65%***

Net Expense Ratio
0.49%

	Cumulative (%)		Avg Annualized (%)	
	Since Inception	1 Year	Since Inception	1 Year
Fund NAV	15.58	17.32	13.22	17.32
Closing Price	15.58	17.37	13.22	17.32

*** The Fund's investment Adviser has contractually agreed to waive fees and expenses so that the Fund's Total Annual Operating Expenses will not exceed 0.49%. This fee waiver will remain in effect until December 31, 2016, and may be extended thereafter by the Adviser in its sole discretion.

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 sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end, please visit www.NashvilleAreaETF.com.

How has that performance compared to the general market?

Very well. While the S&P500 is certainly not an apples-to-apples comparison, it does seem to be the one that people are most familiar with, and most often reference when they ask that question. In 2014, the total return for the S&P500 index was 13.69%. Both Lipper and Morningstar classify NASH as a "small cap blend" fund, so the Morningstar ETF Small Blend category - which provided a total return of 5.86% last year - is probably a truer benchmark. So either way, NASH's 17.32% return for 2014 looks very positive.



Source: Google Finance

Past performance is no guarantee of future returns. One cannot invest directly in an index.

How do you decide which stocks to own, and how much of them to own, within the portfolio?

When we were designing the index prior to launch, we intentionally built it as a passive, rules-based index. It was important to us to focus on providing an informed, intelligent, and cost-effective way for investors to access a portfolio of Nashville area companies. The selection of component companies is pretty simple.

1. Headquartered in Davidson County or one of the six contiguous counties
2. Total Market Capitalization of at least \$100 million
3. Average trading volume of at least 50,000 shares per day

The weighting algorithm is a bit more complex, as we have sought to add value to shareholders by applying what we know about the market to the decision of how to weight the portfolio. Other methods could just own an equal amount of each position, or weight based on the size of the companies - but the academic evidence is pretty strong that a more nuanced approach can add value to a portfolio's return. For NASH, we measure seven different factors for each company, then compare these measurements to the rest of the components in the portfolio, and weight the portfolio based on those calculations. The specific factors are:

1. Growth
2. Liquidity
3. Volatility
4. Momentum
5. Return on Invested Capital
6. Valuation
7. Dividend Yield

Is that weighting algorithm the reason for the fund's strong performance?

It's certainly part of it, but there have been several important contributors. First of all, this group of companies has provided an incredible "pick list" for investors over recent years. The key thesis of LocalShares, when launching NASH, is that Nashville and its companies are poised to seek long-term prosperity - we don't believe this is a random accident, we think the strategic attributes of Nashville contribute to helping the great companies located here succeed.

If you had simply purchased an equal amount of each stock in the portfolio on day one, and held it until now, that portfolio would have done well too. As a matter of fact, the equal weighted static portfolio would have slightly beat the S&P500 and performed far better than the smaller cap benchmark. However, NASH's NAV has provided almost two extra percentage points of performance - a difference of 7% over that hypothetical static portfolio.

As I said during our annual luncheon for investors, it's been a good period to own stocks, a very good period to own these stocks, and a great period to own these stocks through NASH.

THIS JUST IN:

NASHVILLE AREA SCORES IN TOP 15 CITIES FOR ECONOMIC PERFORMANCE IN 2014

Milken Inst. ranks more than 350 metro areas based on key metrics regarding economic growth

Citylab.com

January 8, 2015

[LEARN MORE >](#)

NASHVILLE AMONG TOP DESTINATIONS IN UNITED STATES FOR STEM PROFESSIONALS

100 Largest metro areas in the country ranked by 11 metrics including wage growth and number of graduates

Wallethub.com

January 2015

[LEARN MORE >](#)

TENNESSEE HOLDS NATION'S TOP SPOT FOR ECONOMIC DEVELOPMENT

3rd #1 ranking since 2007 given by Business Facilities Magazine

Tennessean

January 5, 2015

[LEARN MORE >](#)

THE ONLY CITY IN THE UNITED STATES WITH DUAL FINANCIAL INDUSTRY IPO'S

Avenue and Franklin Synergy Banks file papers with SEC to go public. Spotlights Nashville banking market and trajectory of local economy

Nashville Business Journal

January 9, 2015

[LEARN MORE >](#)

START INVESTING TODAY.

For more information about the fund visit

NashvilleETF.com.

Nashville Area ETF (NYSE:NASH) allows investment in a basket of publicly traded companies based in middle Tennessee.

These companies benefit from the positive growth trends and characteristics of the Nashville area.

NASH is traded on the New York Stock Exchange and available through most stock brokers. The fund is rebalanced each quarter. Stocks in NASH are weighted according to 7 factors such as earnings, yield, momentum and market cap.

For more information, visit www.nashvilleareaetf.com.

What's an ETF?

Exchange Traded Funds are funds that track a specific index. When you buy shares of an ETF you are buying shares of a portfolio that tracks the yield and return of its underlying index.

Nashville Area ETF, Invest In What You Know.

NashvilleAreaETF.com



The material is not intended as an offer or solicitation to purchase or sale of any security, nor is it individual or personalized investment advice. LocalShares and SEI Investments Distribution Co. do not sponsor or endorse the information presented in articles, nor do they assume liability for any loss that may result from relying on these opinions or information.

All ETF products are subject to risk, which may result in the loss of principal. Investment in smaller companies typically exhibit higher volatility. The Fund will invest substantially all of its assets in the securities of companies that have their headquarters or principal place of business located in the Nashville, Tennessee region. The Fund may be impacted by events or conditions affecting the region to a greater extent than a fund that did not focus its investments in that manner. The fund is expected to invest a relatively large percentage of its assets in the healthcare sector and negative performance of the sector will negatively impact the fund. Diversification may not protect against investment loss.

Carefully consider the Nashville Area ETF's investment objective, risk factors, and charges and expenses before investing. This and other important information can be found in the Nashville Area ETF's Prospectus, which may be obtained by calling 855-480-NASH (6274). Read it carefully before investing.

ETF shares are not redeemable with the issuing fund other than in large Creation Unit aggregations. Instead, investors must buy or sell ETF Shares in the secondary market with the assistance of a stockbroker. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling. The NAV of the Fund's shares is calculated each day the national securities exchanges are open for trading as of the close of regular trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time (the "NAV Calculation Time"). Shares are bought and sold at market price (closing price) not NAV. Market price returns are based on the midpoint of the bid/ask spread at 4:00 pm Eastern Time (when NAV is normally determined).

An active secondary market for the Fund's shares may not exist. Although the Fund's shares will be listed on an exchange, subject to notice of issuance, it is possible that an active trading market may not develop or be maintained. There is no guarantee that distributions will be paid.

SEI Investments Distribution Co. is the distributor for the Nashville Area ETF. SEI Investments Distribution Co., 1 Freedom Valley Drive, Oaks, PA, 19456. Not FDIC Insured / No bank guarantee / May lose money

*The S&P 500, or the Standard & Poor's 500, is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ.

**Morningstar, Inc. is an investment research and investment management firm headquartered in Chicago, Illinois, United States.