

Investment Strategy

The **Rayliant Quantamental China Equity ETF** is an active, systematic approach to harvesting behavioral alpha by exploiting mispricings among Chinese stocks. The strategy is localized to China, applying specialized data and signals that capture unique features of Chinese markets, including novel aspects of China's accounting, regulations, market structure, state ownership, and investor behavior.

Key Facts

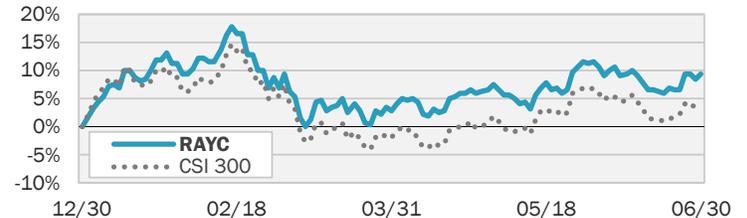
[Prospectus](#) [Rayliant Funds Website](#)

Trading Symbol	RAYC
Inception Date	12.30.2020
Net Expense Ratio (after fee waiver)	0.80%
Gross Expense Ratio* (before fee waiver)	1.28%
CUSIP	00774Q197

*The fund currently applies a fee waiver that caps its net expense ratio at 0.80%. A full explanation of expenses and fees are stated in the prospectus. Fee waivers are contractual and in effect until at least 1/31/22.

Performance (as of 30 June 2021)

		RAYC	CSI 300	Excess Return
Last Month: June 2021	Price	-2.39%	-2.60%	+0.21%
29 May – 30 June	NAV	-1.58%	-2.61%	+1.03%
Last Quarter: Q2 2021	Price	5.87%	5.82%	+0.05%
1 April – 30 June	NAV	6.54%	5.82%	+0.72%
Inception to Last Quarter End	Price	9.68%	3.88%	+5.80%
As of 30 June 2021	NAV	9.48%	3.88%	+5.60%



Source: Rayliant Research, CSI, and Bloomberg.

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 and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 866-898-1688 or visit <https://funds.rayliant.com>.

Alpha Contributors | Stocks (29 May 2021 – 30 June 2021, measured against the CSI 300 Index)

Stock	Portfolio Weight*	Avg. Active Weight	Alpha Contribution	Attractive Valuation Score	Quality Growth Score	Mgmt Team Integrity Score	Smart vs Dumb Money Score	Safety Score
COSCO Shipping	5.03%	+3.55%	+1.22%	High	High	High	Low	High
Guangzhou Kingmed	3.63%	+3.26%	+0.28%	Low	High	High	Low	High
Chongqing Brewery	2.59%	+2.35%	+0.30%	Low	High	High	Low	High
Ecovacs Robotics	1.76%	+1.52%	+0.38%	Low	High	High	Low	High
Midea Group	0.00%	-1.88%	+0.26%	Low	Low	High	Low	High

*As of 30 June 2021. Holdings are subject to change.



Signal Spotlight Smart Money Score

One interesting byproduct of China's strict controls on foreign investment is that when offshore institutions trade Chinese stocks, it leaves a data trail. Sudden changes in professional investor sentiment revealed by these records can be predictive of future performance. As such, we constantly monitor channels into Chinese stocks, including the Stock Connect platform and Qualified Foreign Institutional Investor (QFII) program. Indeed, a recent increase in popularity with foreign institutions explains part of our overweight to top alpha contributor **Guangzhou Kingmed Diagnostics**.



Sector Spotlight Consumer Staples

Stocks in the Consumer Staples sector, although fairly pricey, on average, after substantial policy support over the last year, still offered some of the best alpha opportunities in April. With plenty of stocks showing strong fundamentals (e.g., based on our **Quality Growth** score) and overlooked by retail investors (as measured by our **Dumb Money Activity** score), the sector was well suited to stock picking at the start of Q2. Distiller **Shanxi Xinghuacun Fen Wine** and beer maker **Chongqing Brewery** were among the strategy's top alpha contributors in April.

Portfolio Management



Jason Hsu, PhD
Chairman & CIO



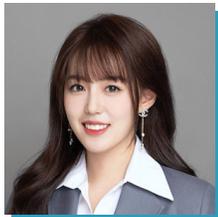
Phillip Wool, PhD
Managing Director,
Investment Solutions



Mark Schlarbaum
Managing Director,
Capital Markets & Trading



Vivek Viswanathan, PhD
Senior Managing Director,
Quantitative Research



Researcher Spotlight

Priscilla Liu, MFE
Senior Vice President,
Quantamental Research

Priscilla is a senior member of Rayliant's research and investment teams responsible for modeling and trading Chinese equities. Her work is central to Rayliant's acquisition and cleaning of specialized local data sets, including those tracking the behavior of retail investors and the portfolio decisions of professional money managers. In addition to data and quantitative signal research, Priscilla has been active in Rayliant's ESG initiatives and has published on the topic.

Priscilla earned a joint undergraduate degree in Economics and Mathematics from New York University. She earned her MFE from UCLA's Anderson School of Management.

Before investing in any ETF, it is critical for investors to carefully consider the fund's investment objectives, risks, charges and expenses. To obtain a full or summary Prospectus for the Fund, which contains this and other information, please visit <https://funds.rayliant.com>. Please read the Prospectus carefully before investing.

The Rayliant Quantamental China Equity ETF is distributed by SEI Investments Distribution Co., which is not affiliated with Rayliant Asset Management, the Investment Adviser.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Important Information

The investment research used to develop RAYC's China strategies is conducted by both the Adviser and its affiliated entities. The researchers identified in this fact sheet may be employed by either the Adviser or an affiliate.

Risk of Investing

Investing involves risk, including the risk of total loss of principal. Please consider the following risks before investing in the ETF.

Investment Objectives

There can be no assurance that an ETF will achieve its stated objectives.

Smaller Companies

Investments in smaller companies typically exhibit higher volatility.

Diversification

The ETF is not diversified.

Quantitative Investments

Investments that are managed according to a quantitative model can perform differently from the market as a whole.

International and Emerging Markets

International markets involve political, social, economic and currency risks. These risks are heightened in emerging markets, which also include the risk of increased volatility and lower trading volume. Securities focusing on a single country may also be subject to higher volatility.

Local Rules and Regulations

Trading through Stock Connect is subject to a number of restrictions that may affect an ETF's investments and returns. China A Shares purchased by the ETF through Stock Connect are generally subject to Chinese securities regulations and listing rules, among other restrictions.

Reasonable Care

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