# Fundstrat Granny Shots US Large Cap ETF

# GRNY

**fundstrat capital**

**Portfolio Managers**

**Thomas J. Lee, CFA**
**Ken Xuan, CFA, FRM**

# Fundstrat Capital – Meet the Team

### Thomas J. Lee, CFA
CIO & Portfolio Manager

Thomas J. Lee is the CIO & Portfolio Manager, Managing Director, and Head of Research at the Sub-Advisor. He co-founded Fundstrat Global Advisors in 2014, a research firm serving clients in over 26 countries. Previously, Tom was J.P. Morgan's Chief Equity Strategist (2007–2014) and Managing Director at Salomon Smith Barney. His expertise includes Market Strategy, Small/Mid-Cap Strategy, and Telecom Services. Tom holds a BSE in Economics with a dual concentration in Finance and Accounting from the University of Pennsylvania/Wharton School of Business and is a CFA® charterholder.

### Ken Xuan, CFA, FRM
Portfolio Manager

Ken Xuan is a Portfolio Manager at the Sub-Advisor and Head of Data Science at Fundstrat Global Advisors, where he manages the firm's proprietary portfolio and quant models. He oversees data-related tasks, including identifying alternative data sources, updating databases, and automating reports. Prior to joining Fundstrat in 2017, Ken worked at West Monroe Partners and BYD Motors Inc. He holds B.S. degrees in Management and Economics from Purdue University and an M.S. in Operations Research from Columbia University. Ken is a CFA® charterholder and an FRM-Certified Professional.

### Carrie Presley
ETF Product Specialist

Carrie is the ETF Product Specialist at Fundstrat Capital. With over a decade of experience in public accounting, she joined Fundstrat in 2021, where she played a pivotal role in launching Fundstrat Media, transforming the delivery of financial research to both retail and institutional clients. In her current role at Fundstrat Capital, Carrie is instrumental in supporting GRNY investors and driving the continued success of the ETF. She holds a BBA in Accounting from the University of Oklahoma.

Source: Fundstrat Capital

fundstrat capital

# Fundstrat Capital – Who We Are

**Fundstrat Capital** is an **independent asset manager** employing insights rooted in emotion-free analysis of multivariate thematic factors to generate the Fundstrat Granny Shots US Large Cap ETF.

Today's investment landscape is broadly divided into those investors using passive investment strategies and those relying on active, bottom-up fundamental security research.

The Fundstrat Granny Shots ETF employs an active top-down thematic approach combined with a quantitative, bottom-up model, offering investors a differentiated approach likely absent from their asset allocation.

- **Affiliate of Fundstrat Global Advisors:** Fundstrat Capital is an affiliate of Fundstrat Global Advisors, an independent research firm established in 2014.

- **Global Reach:** Fundstrat Global Advisors distributes research to over 26 countries across multiple channels spanning from retail to leading investment institutions.

- **Risk and Compliance:** Fundstrat Capital's Investment Committee uses a combination of internal and external resources to ensure portfolios are in line with their stated investment objectives. John McDevitt, CFA serves as the Chief Compliance Officer.

Source: Fundstrat Capital

# Fundstrat Granny Shots US Large Cap ETF - GRNY

Seeks to **Identify** the most important themes driving the economy and US market.

Aims to **select** the best stocks benefitting from the tailwinds created by those themes.

**Leading** to a concentrated portfolio of large-cap equities, driven by significant market forces.

fund**strat**
capital

05/13/2025

# Fundstrat Granny Shots US Large Cap ETF - GRNY

## Investment Philosophy

The GRNY investment process selects a portfolio of stocks that match certain themes identified by the Portfolio Managers.

The investment process combines a top-down fundamental research process with a quantitative, bottom-up stock selection process. Those stocks which are represented in at least two of the themes identified are included in the Fund.

### Strategy Overview

- **Inception Date:** November 2024
- **Benchmark:** S&P 500
- **Exchange:** NYSE Arca
- **Issuer:** Tidal Financial Group
- **Number of Holdings:** 20-50 stocks

- **Ticker:** GRNY
- **Annual Expense Ratio:** 0.75%
- **Primary Investments**: US Large Cap Equities
- **Sub Advisor:** Fundstrat Capital

Source: Fundstrat Capital

fund**strat** capital

# GRNY – Why Granny Shots?

The term "granny shot" refers to an unconventional basketball free throw style. For the Fund, it represents Fundstrat Capital's unique research process.

## Shaquille:
### (career success)
## 52%

## Rick Barry:
### (career success)
## 90%

Source: NBA, Not a prediction of investment outcomes, but a description of a process

fundstrat
capital

# Why Fundstrat Granny Shots US Large Cap ETF

## Fundstrat Capital - Investment Guiding Principles

1. Focus on the long term

2. Consensus is usually wrong[1]

3. Demographics are destiny[2]
   (aka thematic investing key)

4. Markets have an "age bias"[3]

5. Don't fight the Fed[4]

1: Fundstrat Capital relies upon evidence and data to support market views and does not rely open the collective views of others. If our research leads us to a conclusion that differs from collective consensus, we are not deterred.
2: The correlation between demographic trends and US equity market results is observable historically and is used by Fundstrat Capital in ex-ante forecasting.
3: Historical events tend to shape the investment decisions and risk tolerance of older investors, who tend to have accumulated more wealth. Those whom have experience multiple market crashes (dot-com, GRC 2008, and COVID 19) are often more conservative and prioritize preservation of wealth.
4: Fundstrat Capital agrees with the well-known investment adage suggesting investors align their strategies with the Fed's monetary policies. This is grounded in the firm's macroeconomic research.

Source: Fundstrat

**fundstrat**
capital

# GRNY – Holdings by Theme

## Shorter-Term Themes (6 - 12 Months)

| Style Tilt | Seasonality | PMI Recovery |
|---|---|---|
| **36** Stocks in Theme | **29** Stocks in Theme | **37** Stocks in Theme |
| **22** Stocks in GRNY | **11** Stocks in GRNY | **11** Stocks in GRNY |

## Longer-Term Themes (3 - 5 Years)

| Energy/ Cyber Security | Millennials | Global Labor Suppliers | Easing Financial Conditions |
|---|---|---|---|
| **48** Stocks in Theme | **93** Stocks in Theme | **36** Stocks in Theme | **40** Stocks in Theme |
| **5** Stocks in GRNY | **16** Stocks in GRNY | **17** Stocks in GRNY | **12** Stocks in GRNY |

## GRNY Holdings

**5 Themes:** META, GOOGL

**4 Themes:** GRMN, MSFT, PLTR

**3 Themes:** AAPL, PANW, NVDA, CRWD, CDNS, AXP

**2 Themes:** ISRG, CAT, AMZN, TSLA, EMR, JPM, PYPL, PGR, GEV, ETN, BK, SPGI, HOOD, ABT, MNST, PWR, NFLX, MSTR, ORCL, KLAC, GE, FICO, GS, COST, AXON, ANET, AMD

fundstrat capital

# GRNY Theme Introduction – Style Tilt

Style tilts, sometimes referred to as portfolio tilts, represent a portfolio's exposure to various factors that may allow investors to achieve a higher expected return.

Historically, various factors have engendered cyclicality across market and economic regimes. For example, a shift in interest-rate expectations may cause one factor to outperform another.

The GRNY ETF attempts to capture these regime shifts over time by adjusting the style tilt quarterly. Moreover, the GRNY ETF expands the traditional Value / Growth tilt spectrum into a larger set of 12 components.

**Style Tilt**

**36**
Stocks in Theme

**22**
Stocks in GRNY

## Holdings Corresponding to the Theme:

| | | | | |
|------|-------|------|------|------|
| AMD  | COST  | GS   | MSTR | PLTR |
| ANET | CRWD  | HOOD | NFLX | PWR  |
| AXON | FICO  | KLAC | NVDA |      |
| AXP  | GE    | META | ORCL |      |
| CDNS | GOOGL | MSFT | PANW |      |

fundstrat capital

# GRNY Theme Introduction – Style Tilt

**Figure: Comparative matrix between Risk appetite and interest rate/ inflation outlook**



Low ← — — — Expected Risk Appetite — — — → High

Flat/falling — Inflation/interest rate trend — Rising

- Growth Defensive
- Growth Cyclicals
- Growth Quality
- Quality Defensives
- Quality
- Seasons new seasonality
- Quality Cyclicals
- Value Quality
- Value Defensive
- Value Cyclicals
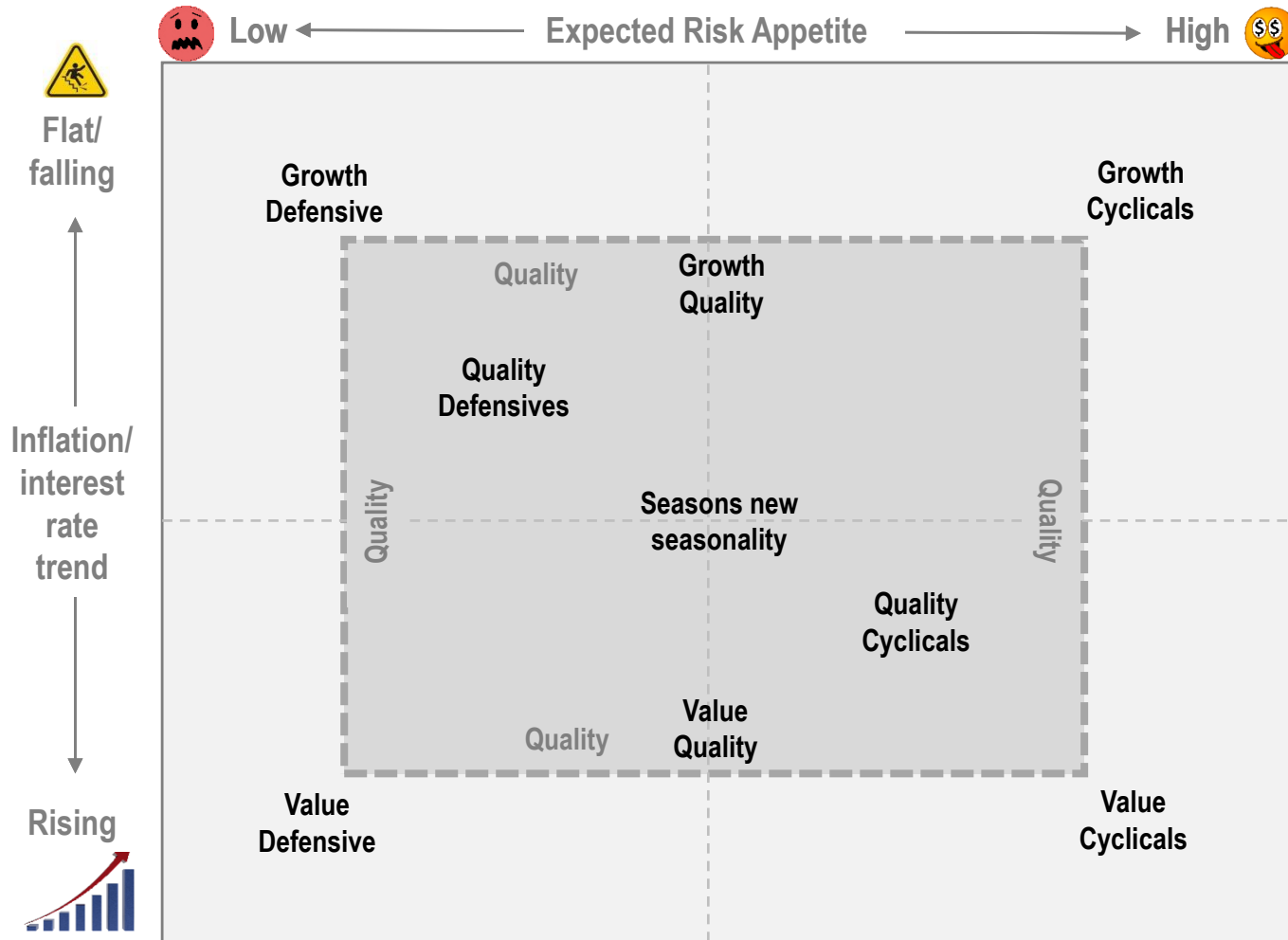
fundstrat capital

# GRNY Theme Introduction – Style Tilt

## Figure: Comparative Styles Within Value / Growth Tilt
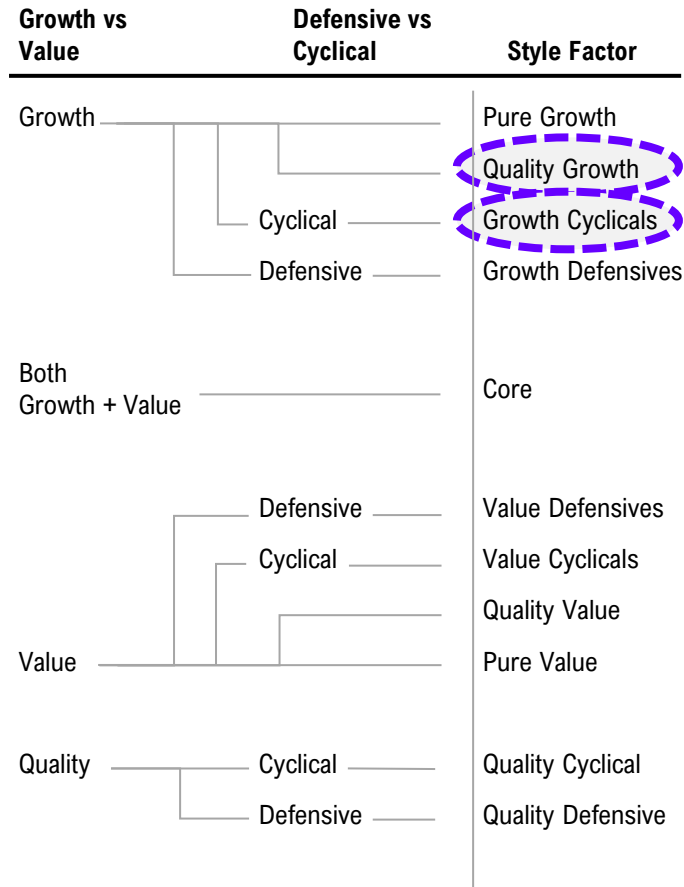


**Style Win Ratio and Relative Return between May 1 and Oct 31**
**On Annual basis since 1990**

| | Style | # of Stocks | Avg. Rel. Return | Win Ratio | Rank of Avg Quant Rank | Rank of Avg. Technical Score | Rank of Avg. Funda-mental Score | Composite Score Rank |
|---|---|---|---|---|---|---|---|---|
| 1 | Growth - Quality | 120 | 5.5% | 58% | 9 | 4 | 3 | 1 |
| 2 | Cyclical - Growth | 149 | 5.6% | 57% | 6 | 8 | 2 | 2 |
| 3 | Growth - Pure | 64 | 8.5% | 59% | 11 | 7 | 1 | 3 |
| 4 | Growth - Defensive | 44 | 5.0% | 57% | 12 | 1 | 8 | 4 |
| 5 | Value - Quality | 171 | 3.3% | 54% | 2 | 9 | 9 | 5 |
| 6 | Quality | 216 | 4.2% | 55% | 5 | 6 | 6 | 6 |
| 7 | Core | 130 | 4.2% | 56% | 8 | 5 | 5 | 7 |
| 8 | Quality - Cyclical | 161 | 4.8% | 56% | 4 | 10 | 4 | 8 |
| 9 | Value - Cyclical | 291 | 2.5% | 51% | 1 | 12 | 7 | 9 |
| 10 | Quality - Defensive | 55 | 2.3% | 52% | 7 | 3 | 10 | 10 |
| 11 | Value - Defensive | 141 | 1.8% | 53% | 10 | 2 | 12 | 11 |
| 12 | Value - Pure | 303 | 1.6% | 50% | 3 | 11 | 11 | 12 |

fundstrat capital

# GRNY Theme Introduction - Seasonality

Historically, certain industry groups or stocks may exhibit recurring patterns of performance during specific time periods.

By reviewing various arrays of returns over long time periods, the GRNY ETF seeks to determine which industries may exhibit superior relative performance over the ensuing 6-month period.

The GRNY ETF evaluates its seasonal exposure to industry groups quarterly via the use of proprietary models that analyze historical win ratios.

**Seasonality**

**29**
Stocks in Theme

**11**
Stocks in GRNY

**Holdings Corresponding to the Theme:**

| | | |
|------|-------|------|
| AAPL | GOOGL | PLTR |
| ABT  | META  |      |
| CDNS | MNST  |      |
| CRWD | MSFT  |      |
| FICO | PANW  |      |

Source: Fundstrat Capital
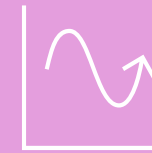
fundstrat capital

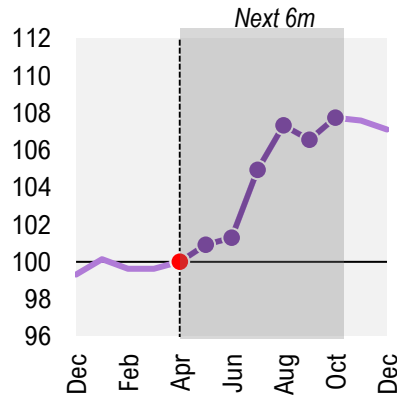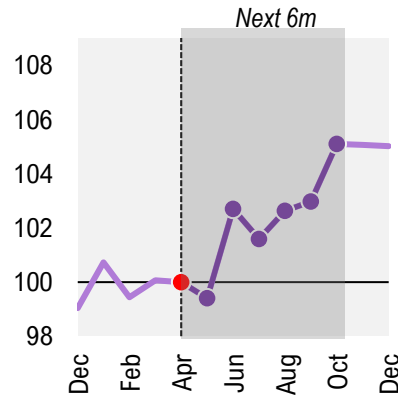# GRNY Theme Introduction - Seasonality

The following 8 industries have historically exhibited outperformance during the May – October period and rank highly in our Quant, Technical and Fundamental models.
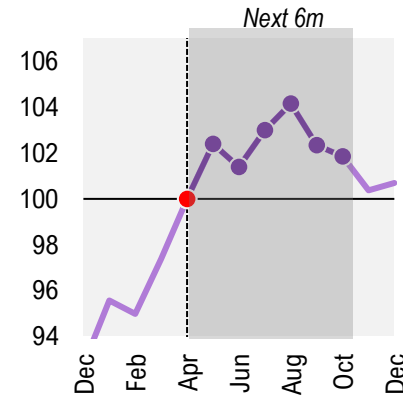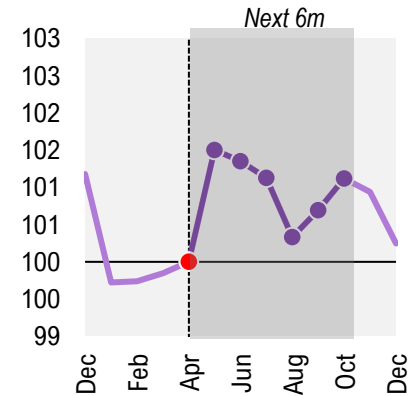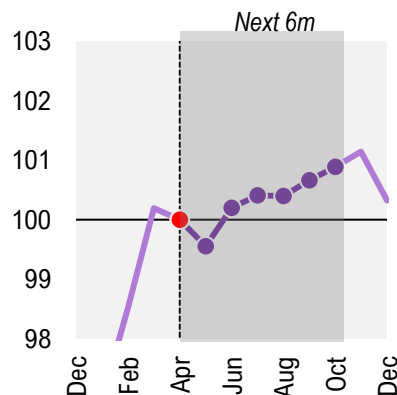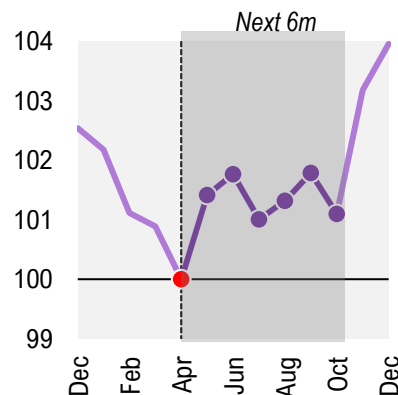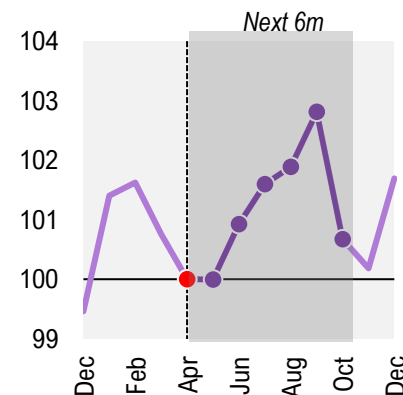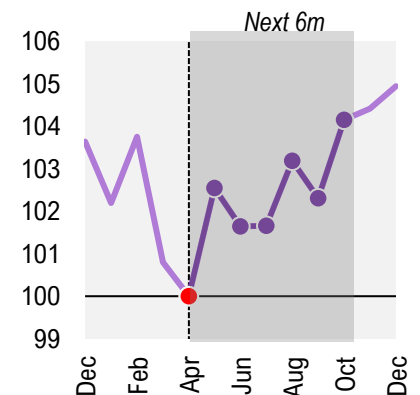


Source: Fundstrat Capital, FactSet

fund**strat**
capital

# GRNY Theme Introduction - Purchasing Managers' Index (PMI)

The Purchasing Managers' Index (PMI) is a monthly economic indicator based on survey responses by private-sector companies in the manufacturing and services sectors.

The index typically includes factors such as new orders, production, employment, supplier deliveries, and inventories.

Fundstrat Capital recognizes the relationship between yield-curve dynamics and PMI that implies the latter has bottomed and seeks to gain exposure to companies benefitting from the forecasted recovery.

## Holdings Corresponding to the Theme:

| | | |
|---|---|---|
| BK | GS | SPGI |
| EMR | JPM | |
| ETN | PGR | |
| GEV | PWR | |
| GRMN | PYPL | |

**PMI Recovery**

**37**
Stocks in Theme

**11**
Stocks in GRNY

Source: Fundstrat Capital

05/13/2025

For Exclusive Use of Fundstrat Capital Clients Only

**fundstrat capital**

# GRNY Theme Introduction - PMI Recovery

PMI: Institute for Supply Management (ISM) and S&P Global Manufacturing PMIs

(Since 2019, monthly)



Source: Fundstrat Capital, Bloomberg

fundstrat capital

# PMI Recovery - Since 1949, PMI > 50 = Cyclicals & Value

Since 1949, Cyclicals outperform, but more interestingly, in the last 25 years, 3 groups consistently outperform—Technology, Energy and Value.

Figure: Sector relative forward performance (%) when PMI recovers above 50

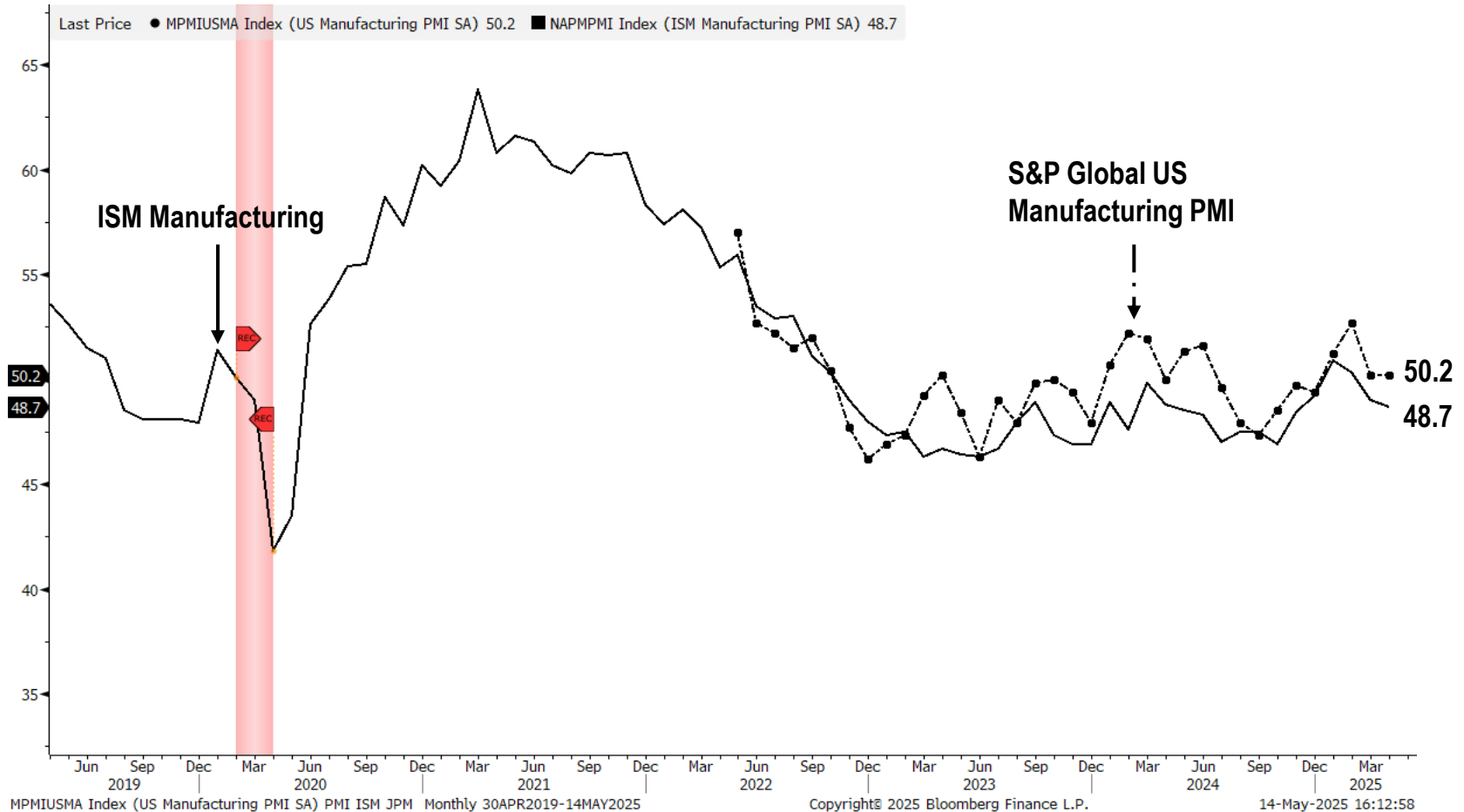| | | Technology | Financials | Industrials | Materials | Health care | Consumer Discret. | Staples | Energy | Utilities | Telecom | Value | Growth | Value less Growth |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **6-Month Forward Return** | Sep'49 | 12.2 | 1.9 | 3.4 | 2.7 | 8.7 | -4.4 | -4.6 | -9.3 | 0.5 | -2.0 | 3.4 | 2.1 | 1.3 |
| | Jul'52 | 0.9 | 5.4 | 0.0 | -4.5 | -13.5 | -2.0 | -0.5 | -11.6 | 2.6 | -0.8 | 0.9 | -3.2 | 4.1 |
| | May'54 | 6.3 | 4.1 | 7.3 | 2.3 | -0.9 | 3.6 | -8.5 | -3.9 | -9.8 | -9.8 | 11.0 | -0.7 | 11.6 |
| | Jun'58 | 14.0 | -6.5 | 3.0 | -2.8 | 15.3 | 7.9 | -2.9 | -14.1 | -6.9 | 2.9 | 11.7 | -0.9 | 12.7 |
| | Mar'61 | -1.4 | 7.0 | 1.1 | -5.0 | -5.4 | -1.9 | 12.2 | -5.6 | 8.9 | -2.6 | -0.1 | 3.9 | -4.0 |
| | Aug'67 | -1.8 | 4.0 | -6.0 | -1.3 | -7.1 | 4.2 | -2.1 | 1.5 | -2.6 | -3.8 | -7.5 | -6.1 | -1.4 |
| | Feb'71 | 2.4 | 6.0 | -0.2 | -0.8 | 3.4 | 3.3 | 4.5 | -3.1 | -7.9 | -9.2 | 3.1 | 9.5 | -6.4 |
| | Aug'75 | 10.1 | -4.1 | -0.2 | 2.4 | -15.9 | 3.6 | -9.2 | -21.2 | -5.6 | 3.6 | 26.1 | 2.9 | 23.2 |
| | Sep'80 | -11.0 | 3.5 | 3.4 | 7.0 | 4.9 | 3.6 | 3.3 | -7.7 | -5.6 | -6.1 | -2.0 | -1.9 | -0.1 |
| | Feb'83 | 4.8 | -1.4 | -10.2 | 2.9 | -7.1 | -0.6 | -6.8 | 17.3 | -5.9 | -8.6 | 3.3 | -5.8 | 9.0 |
| | Oct'85 | -4.0 | 2.4 | 1.5 | 6.4 | 9.1 | 6.5 | 4.6 | -38.6 | -10.0 | -1.2 | -2.5 | 5.4 | -8.0 |
| | Jun'91 | -9.8 | 4.8 | -5.5 | -10.2 | 16.0 | -1.4 | 11.4 | -11.3 | 5.8 | -5.2 | -4.6 | 7.1 | -11.7 |
| | Jun'96 | 13.9 | 10.9 | -0.3 | -3.4 | 0.2 | -11.3 | -1.5 | 1.4 | -10.4 | -9.9 | 0.4 | -0.4 | 0.8 |
| **Last 25 years** | Jan'99 | 2.2 | -1.1 | 6.3 | 18.0 | -11.7 | -1.5 | -11.1 | 24.8 | -1.8 | 1.1 | 3.5 | -3.0 | 6.4 |
| | Jul'03 | 8.2 | -0.6 | 2.8 | 0.0 | -7.3 | -1.2 | -5.1 | 5.3 | 0.8 | -2.7 | 1.4 | -1.4 | 2.8 |
| | Aug'09 | 1.7 | -8.2 | 7.1 | -1.6 | 1.8 | 8.5 | 0.9 | -1.3 | -8.4 | -10.8 | -1.4 | 1.2 | -2.5 |
| | Mar'16 | 3.5 | 0.4 | -0.9 | 1.1 | 1.1 | -4.1 | -4.7 | 7.3 | -6.5 | -6.4 | 0.3 | -0.3 | 0.7 |
| | Average | 3.1 | 1.7 | 0.7 | 0.8 | -0.5 | 0.8 | -1.2 | -4.1 | -3.7 | -4.2 | 2.8 | 0.5 | 2.3 |
| | Median | 2.4 | 2.4 | 1.1 | 0.0 | 0.2 | -0.6 | -2.1 | -3.9 | -5.6 | -3.8 | 0.9 | -0.4 | 0.8 |
| | Win Ratio | 71% | 65% | 59% | 53% | 53% | 47% | 35% | 35% | 29% | 18% | 65% | 41% | 59% |
| **Sorted by** | St. Dev. | 7.4 | 5.0 | 4.7 | 6.2 | 9.5 | 5.1 | 6.7 | 14.4 | 5.7 | 4.6 | 7.7 | 4.3 | 8.5 |
| | Sharpe Rat | 42% | 34% | 16% | 13% | -5% | 15% | -18% | -29% | -64% | -92% | 36% | 12% | 27% |

4 of 5 (Energy)    4 of 5 (Value)

**Cyclicals > Defensives**

fundstrat capital

# GRNY Theme Introduction - Energy/Cyber Security

Given the less-than-clear status of the energy transition, the increased incidence of climate-change-caused adverse-weather events and their impact on the power grid, stress on the electrical grid from data-center demand, and geopolitical tensions that endanger energy security, we monitor companies well positioned to perform in this uncertain environment.

Energy/Cyber Security

**48**
Stocks in Theme

**5**
Stocks in GRNY

**Holdings Corresponding to the Theme:**

ANET
CRWD
GEV
PANW
PLTR
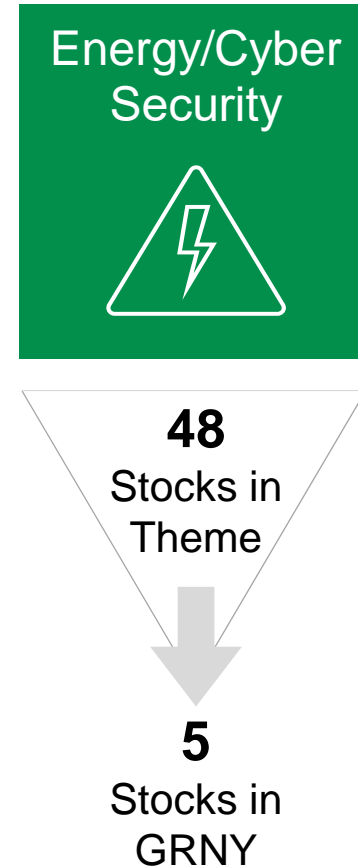
Source: Fundstrat Capital

fund**strat**
capital

# GRNY Theme Introduction - Energy/Cyber Security

**Cyber threats**
**parabolic** rise

**Focus shifted from preventative**
**to actively managed**

**Moved to**
**cloud** based



Unique malware strains per year, millions

*Exponential increase in number and types of cyber-threats ...*

Spending on cybersecurity, % share

*... such as security focus shifting from preventing attacks to actively managing ongoing ones*

Spending focused on pre-attack period — 60, 30

Spending focused on attack or postattack period — 40, 70
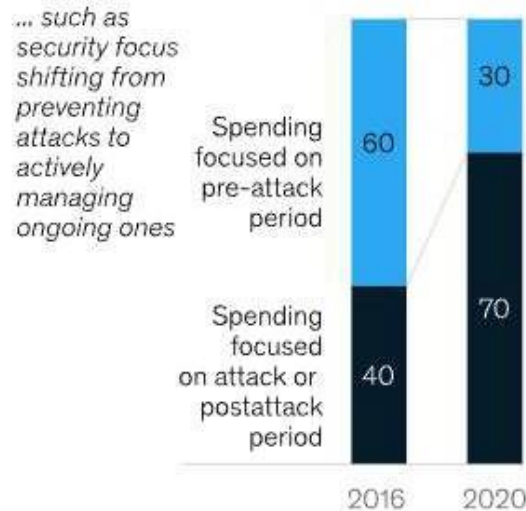
Security products delivered via cloud, % of total

10    60

*Product delivery models changing from on premises to cloud based*
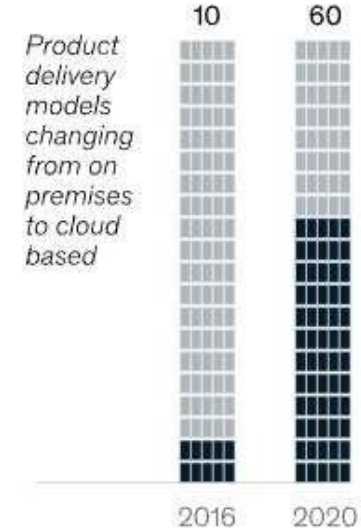
Source: McKinsey & Company

For Exclusive Use of Fundstrat Capital Clients Only

**fundstrat capital**

# GRNY Theme Introduction – Energy/Cyber Security

**Global cybersecurity market size, 2021,** $ trillion



| Segment | Total addressable market, $ billion | Current penetration, % |
|---|---|---|
| Data protection | 50–100 | 30–35 |
| Governance, risk, and compliance | 50–100 | 30–35 |
| Email security and awareness | 50–100 | 10–15 |
| Cloud security | 50–100 | 1–5 |
| Network security | 50–100 | 15–20 |
| Identity and access management | 50–100 | 20–25 |
| Security consulting | 100–200 | 15–20 |
| Web security | 100–200 | 5–10 |
| IoT/OT[1] | 100–200 | 1–5 |
| End point security | 100–200 | 5–10 |
| Application security | 100–200 | 1–5 |
| Security and operations management | 400–500 | 1–5 |
| MSSP[2]/outsourcing | 400–500 | 5–10 |

1.5–2.0

10×

0.14–0.15

Vended market

Total addressable market

[1]Internet of Things/operational technology.
[2]Managed security service provider.
Source: McKinsey Cyber Market Map 2022

**fundstrat capital**

### zscaler

The Zscaler Experience    Products & Solutions    Platform    Resources    Company

**Request a demo**

## Zscaler Blog

Get the latest Zscaler blog updates in your inbox    **Subscribe**

**Security Research**

# Top 5 Cyber Predictions for 2024: A CISO Perspective

**DEEPEN DESAI** – Chief Security Officer
January 02, 2024 – 10 min read

## The generative AI (r)evolution

2023 will be remembered as the year artificial intelligence (AI) rose to the forefront of our collective consciousness, ushering in never before seen opportunities and risks. The release of generative AI-powered applications like ChatGPT highlights the potential for AI and machine learning (ML) to reshape how organizations operate. In September, the Zscaler ThreatLabz team conducted an analysis of AI/ML and ChatGPT trends amongst enterprises stretching back across 2023 and, unsurprisingly, discovered upward trajectories in AI/ML traffic and usage.

This adoption brings us to the flip side of the generative AI coin: attackers are leveraging AI tools to elevate and automate phishing campaigns, craft extremely evasive malware, and reduce the development time of threats across the board. Security leaders and enterprises find themselves at a new crossroads, tasked with delicately navigating the interplay of securely leveraging AI's evolutionary advancements while confronting the unforeseen revolutionary challenges of safeguarding against AI-powered threats.

Source: Zscaler

fundstrat capital

# GRNY Theme Introduction - Millennials

For most of the past decade, discussions about millennials (96 million, peak size) have focused on their youth and teenage tendencies.

Meanwhile, their economic impact on the U.S. and global economy has been accelerating. Demographics explain business cycles better than most market participants recognize.

In order to capture the effects of this growth, 34 stocks were submitted for inclusion in GRNY. 26 of those stocks represent industries where spending by Millennials will outpace the spending by Boomers, and 8 of those ides represent industries where Millennials' spending is expected to accelerate expenditure growth.

## Holdings Corresponding to the Theme:

| | | | |
|---|---|---|---|
| AAPL | GOOGL | MNST | TSLA |
| ABT | GRMN | MSFT | |
| AMZN | HOOD | MSTR | |
| AXP | JPM | NVDA | |
| COST | META | PYPL | |

**Millennials**

**39** Stocks in Theme

**16** Stocks in GRNY

Source: Fundstrat Capital

21  05/13/2025  For Exclusive Use of Fundstrat Capital Clients Only

# GRNY Theme Introduction – Millennials

Demographics explain business cycles better than most market participants recognize.

Figure: Total US Population divided by age groups



| Generation... | Years of birth | | Avg age | At peak (year) | |
|---|---|---|---|---|---|
| Greatest Generation | 1910 | 1927 | 97.7 | 43.2 | 1930 |
| Silent Generation | 1928 | 1945 | 83.5 | 44.1 | 1974 |
| Baby Boomers | 1946 | 1964 | 67.1 | 79.5 | 1999 |
| GenX | 1965 | 1980 | 50.5 | 65.8 | 2018 |
| Millennials | 1981 | 2000 | 32.4 | 95.8 | 2038 |
| Generation Z | 2001 | 2018 | 14.1 | 96.2 | 2060 |
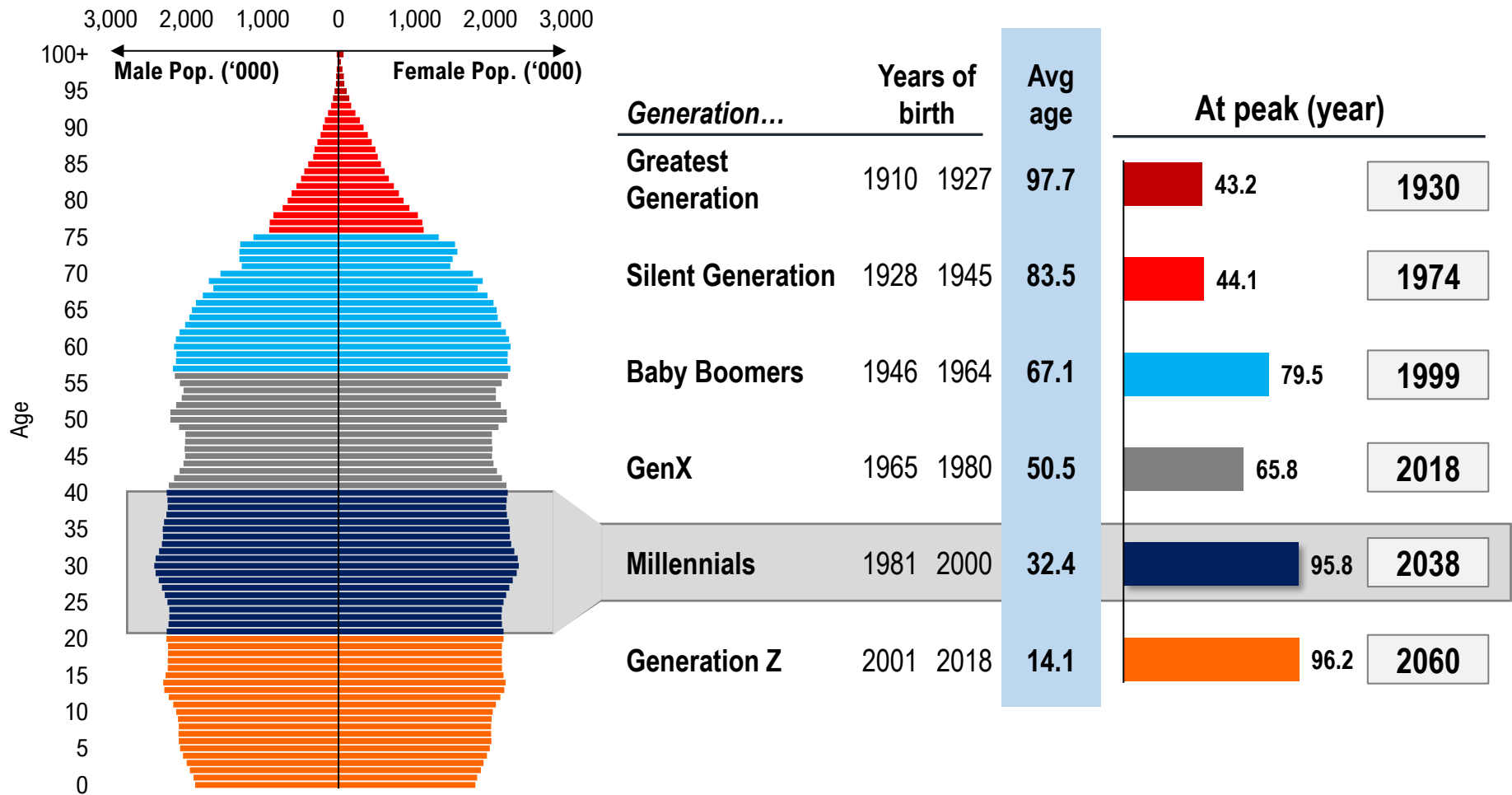
Population distribution as of 2021. Average age as of 2023. Data provided by the UN DESA Data sets.
Source: Fundstrat, UN DESA

fundstrat capital

# GRNY Theme Introduction – Millennials
## And by 2029, Millennials will control the largest share of disposable income…

Figure: Percentage Share of Disposable Income of each generation
From 1990 to 2050
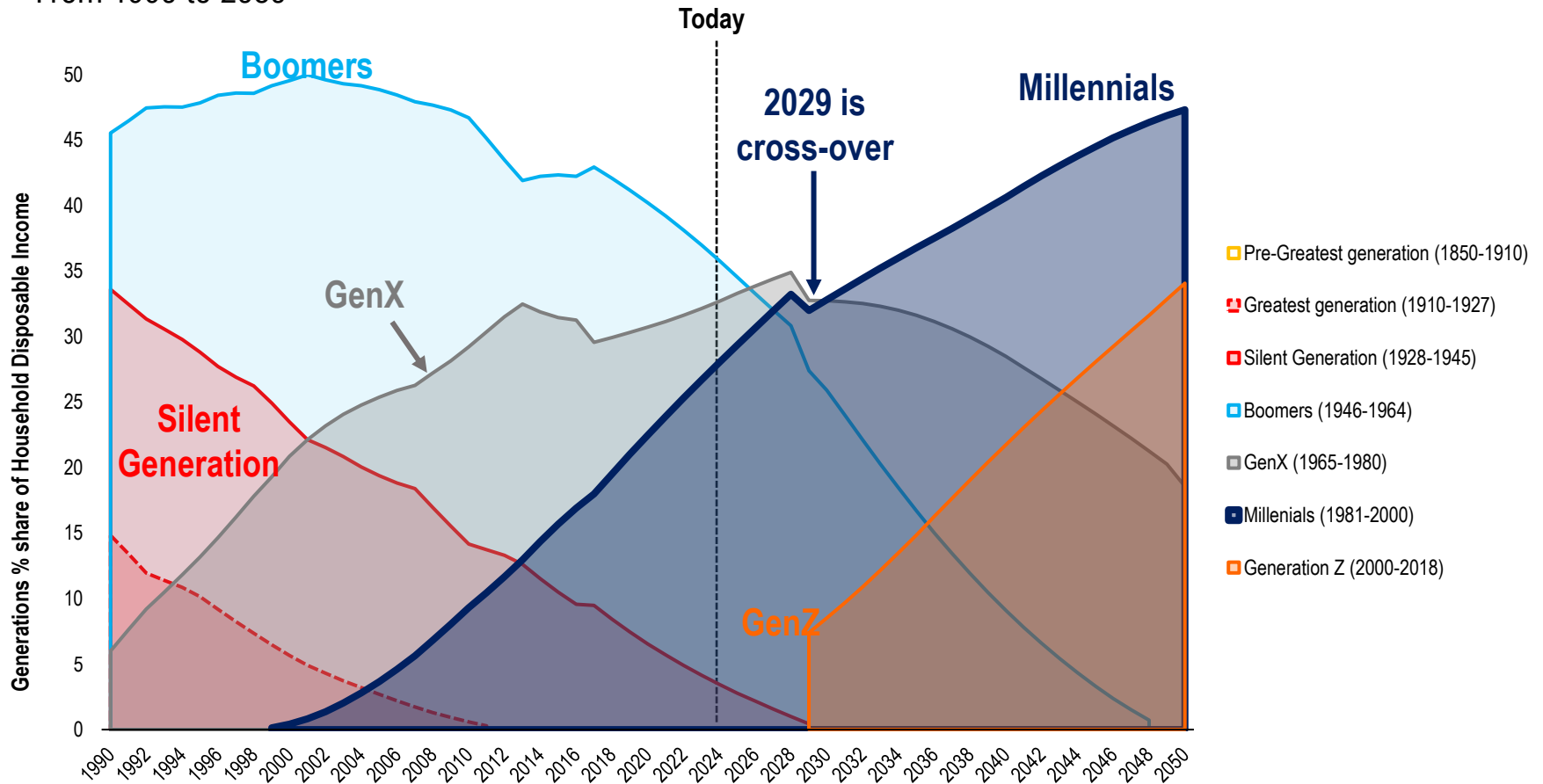


Source: Fundstrat. US Disposable income is nominal SAAR $. The calculation is based on Federal Survey of Consumer Finance to determine median income by generation. The population data is using single age census data to determine number of millennials of working age. Using this population x income ratio x # millennials determines aggregate income. Income projections based on 2.0% Real GDP growth, 1% inflation and household disposable income share constant of 70%.

For Exclusive Use of Fundstrat Capital Clients Only

fundstrat capital

# Millennials average age is 32... still early in life cycle

**Life cycle of Millennial spending and income**
Survey of Consumer Finance for 2017 "real income" levels (born between 1981-2000)



Age 30-60
Prime Income
years

Millennials
Average Age
As of 2023

Age 25-45
Home
purchasing

Age 21-35
Automobile
+ Drinking age

$55,000
$50,000
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000

**Average annual earnings**

$50,440
$49,556
$51,324
$48,932
$40,456
$27,924
$21,684
$15,080

| 10 | 13 | 16 | 19 | 22 | 25 | 28 | 31 | 34 | 37 | 40 | 43 | 46 | 49 | 52 | 55 | 58 | 61 | 64 | 67 |
| 2001 | 2004 | 2007 | 2010 | 2013 | 2016 | 2019 | 2022 | 2025 | 2028 | 2031 | 2034 | 2037 | 2040 | 2043 | 2046 | 2049 | 2052 | 2055 | 2058 |

Source: Fundstrat, Bloomberg, Census Bureau

**fundstrat capital**

# HOUSING: Home values follow moves in adults age 30-48

**Prime Leverage years: # adults age 30-48**
Since 1935 per the US Census Bureau



| Generation... | Birth years | |
|---|---|---|
| Greatest Generation | 1910 | 1927 |
| Silent Generation | 1928 | 1945 |
| Baby Boomers | 1946 | 1964 |
| GenX | 1965 | 1980 |
| Millennials | 1981 | 2000 |
| Generation Z | 2001 | 2018 |

Housing Value as % of GDP

Housing bubble

COVID

Greatest generation: age 30-48 — Silent generation: age 30-48 — Boomers: age 30-48 — GenX: age 30-48 — Millennials: age 30-48 — GenZ: age 30-48

Stagflation Pre-conditions

Financial crisis

5-yr % change adults age 30-48

Primary debt leverage (age 30-48) -- 5-yr % chg historical          Primary debt leverage (age 30-48) -- 5-yr % chg US Census forecast

Source: Fundstrat, Bloomberg, BEA, National Association of Realtors, US Census Bureau Housing value before 1965 was estimated by using residential capital cost valuation published by Census Bureau

fundstrat capital

# STOCK: Like housing, equity also follows moves in adults age 30-48

**Prime Leverage years:  # adults age 30-48**
Since 1935 per the US Census Bureau



— Primary debt leverage (age 30-48) - 5-yr % chg historical
---- Primary debt leverage (age 30-48) - 5-yr % chg US Census forecast

- 5-yr % change (y-axis)
- Stagflation Pre-conditions
- Financial crisis
- Today
- 5-yr % change adults age 30-48
- Greatest generation: age 30-48
- Silent generation: age 30-48
- Boomers: age 30-48
- GenX: age 30-48
- Millennials: age 30-48
- GenZ: age 30-48
- Bubble
- Generational Buy
- S&P 500 rolling 10y Return

Source: Fundstrat, Bloomberg, BEA, National Association of Realtors, US Census Bureau

**fundstrat capital**
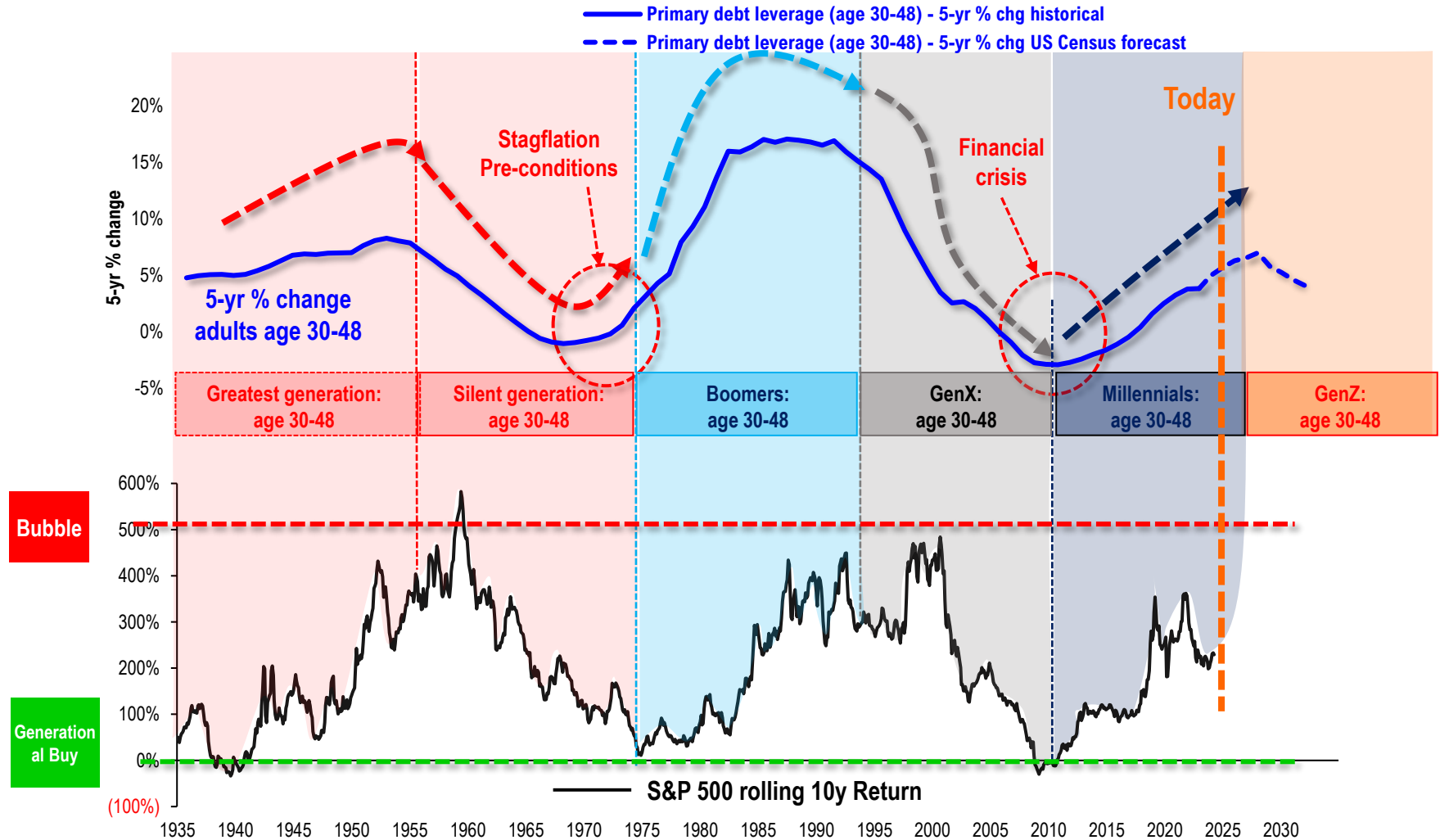
# INNOVATION: Primary Debt Leverage Age Population vs. US Patent Grants

**5-Yr Rolling % Change in Primary Debt Leverage Age Population and US Patent Grants**
Since 1935
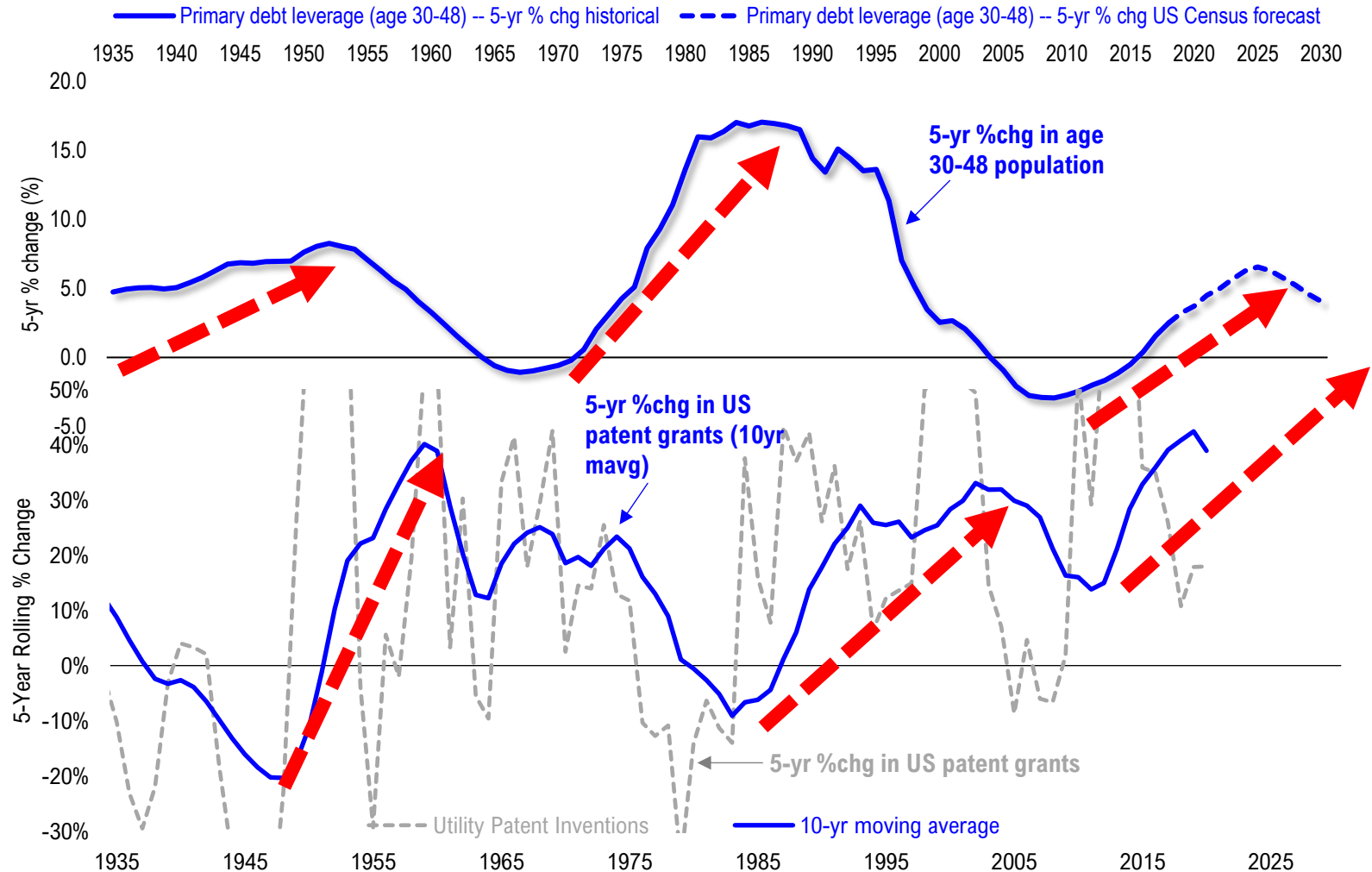


Source: Fundstrat, United States Patent and Trademark Office, Census Bureau

fundstrat capital

# WEALTH TRANSFER: Millennials set to inherit $68 trillion in next 20 years

A study by Coldwell Banker (Coldwell Banker report here) shows Millennials are expected to inherit $68T over the next 20 years.

- **The latest Federal Reserve Survey of Consumer Finances shows that Boomers and Silent Generation control about 62% of the wealth. The Silent Generation controls $17 trillion today and is an average age of 83.5 (oldest is 95)**

**Figure: Wealth share by generations**
Since 1989



Legend: Millennials | GenX | Boomers | Silent Generation

| | Avg age (as of 2023) |
|---|---|
| 13% | 83.5 |
| 49% | 67.1 |
| 30% | 50.5 |
| 8% | 32.4 |
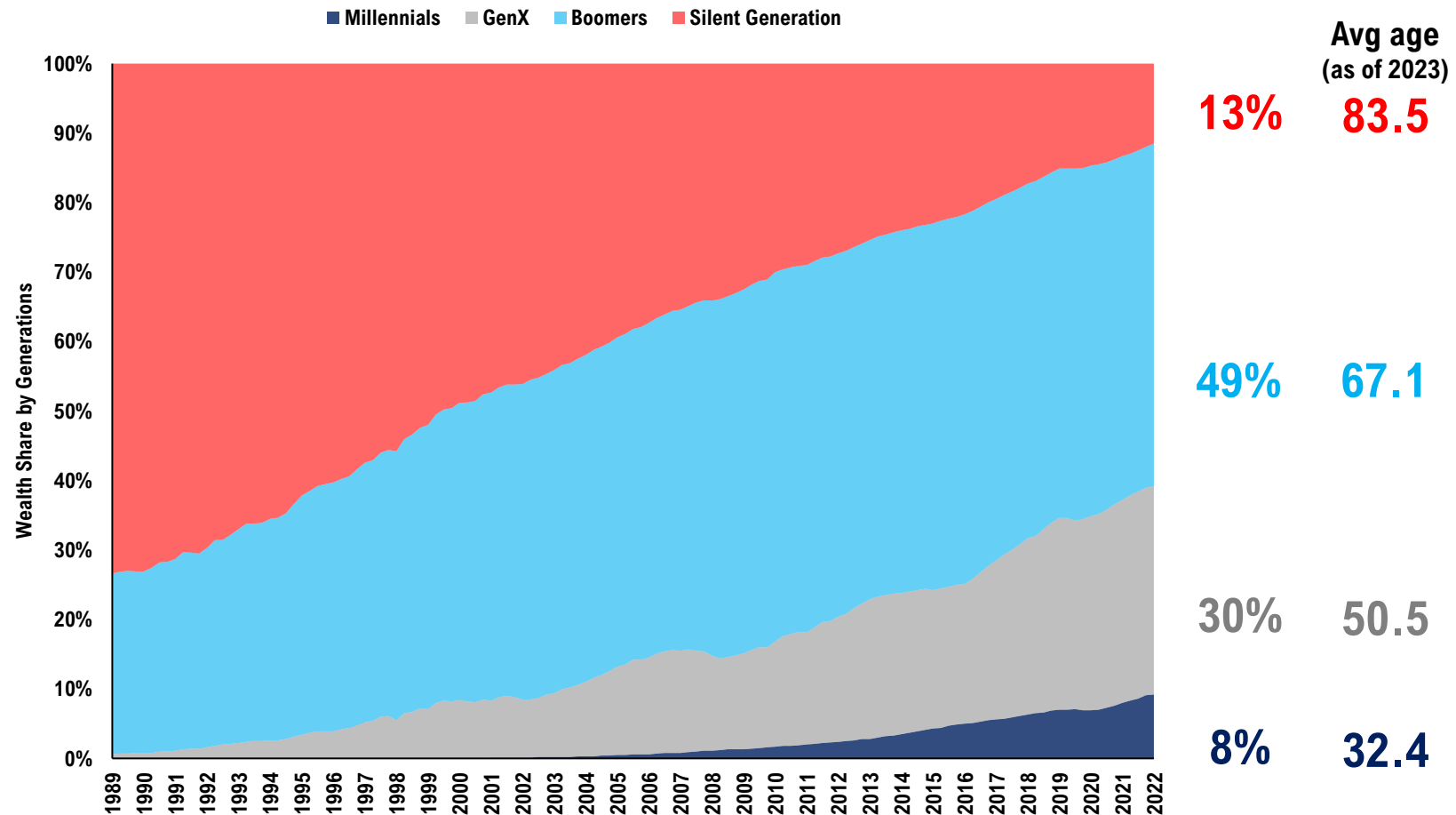
Source: Fundstrat, Federal Reserve DFA

fundstrat capital

# GRNY Theme Introduction – Global Labor Shortage

The outperformance of Technology during periods of labor shortage is substantial, and we believe the forecasted 2015-2047 labor shortage will also benefit Technology stocks.

36 stocks identified as producers or suppliers of AI and/or automation products, which have significant exposure to the adoption of AI and/or automation technology, were submitted for inclusion in the GRNY ETF.

## Global Labor Suppliers

**36** Stocks in Theme

**17** Stocks in GRNY

**Holdings Corresponding to the Theme:**

| AAPL | EMR | KLAC | PLTR |
|------|------|------|------|
| AMD | ETN | META | TSLA |
| AMZN | GOOGL | MSFT | |
| CAT | GRMN | NVDA | |
| CDNS | ISRG | ORCL | |
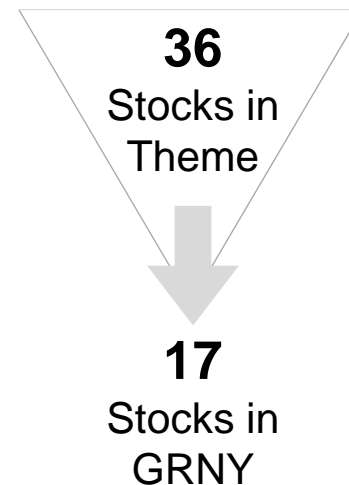
Source: Fundstrat Capital

fundstrat capital

# LABOR: Global excess supply of labor is gone, first time since 1973

## Spread between total population growth and workforce growth (age 16-64)
Per UN DESA

| | 2018 | | 2028 | | Delta | | CAGR | | | % current | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Workforce (16-64) | Total | Workforce (16-64) | Total | Workforce (16-64) | Total | Workforce (16-64) | | Shortage | workforce |
| World | 7,632,819 | 4,983,447 | 8,407,900 | 5,446,592 | 775,081 | 463,145 | 1.0% | 0.9% | | (42,903) | (0.9%) |
| World ex-Africa | 6,344,899 | 4,264,461 | 6,778,314 | 4,501,749 | 433,416 | 237,288 | 0.7% | 0.5% | | (78,025) | (1.8%) |
| High-income countries | 1,197,191 | 783,527 | 1,242,592 | 775,187 | 45,401 | (8,340) | 0.4% | (0.1%) | | (38,054) | (4.9%) |
| Mid/Low-income countries | 6,435,628 | 4,199,919 | 7,165,308 | 4,671,404 | 729,680 | 471,485 | 1.1% | 1.1% | | (4,849) | (0.1%) |



**Global WORKER:** Population age 16-64

**Forecast by United Nations**

**Shortage of labor: 2018-2054**

**DEMAND: Total World population**

**First time since 1973 labor shortfall…**

Labor surplus / Labor shortage

Source: Fundstrat, UN DESA

fundstrat capital
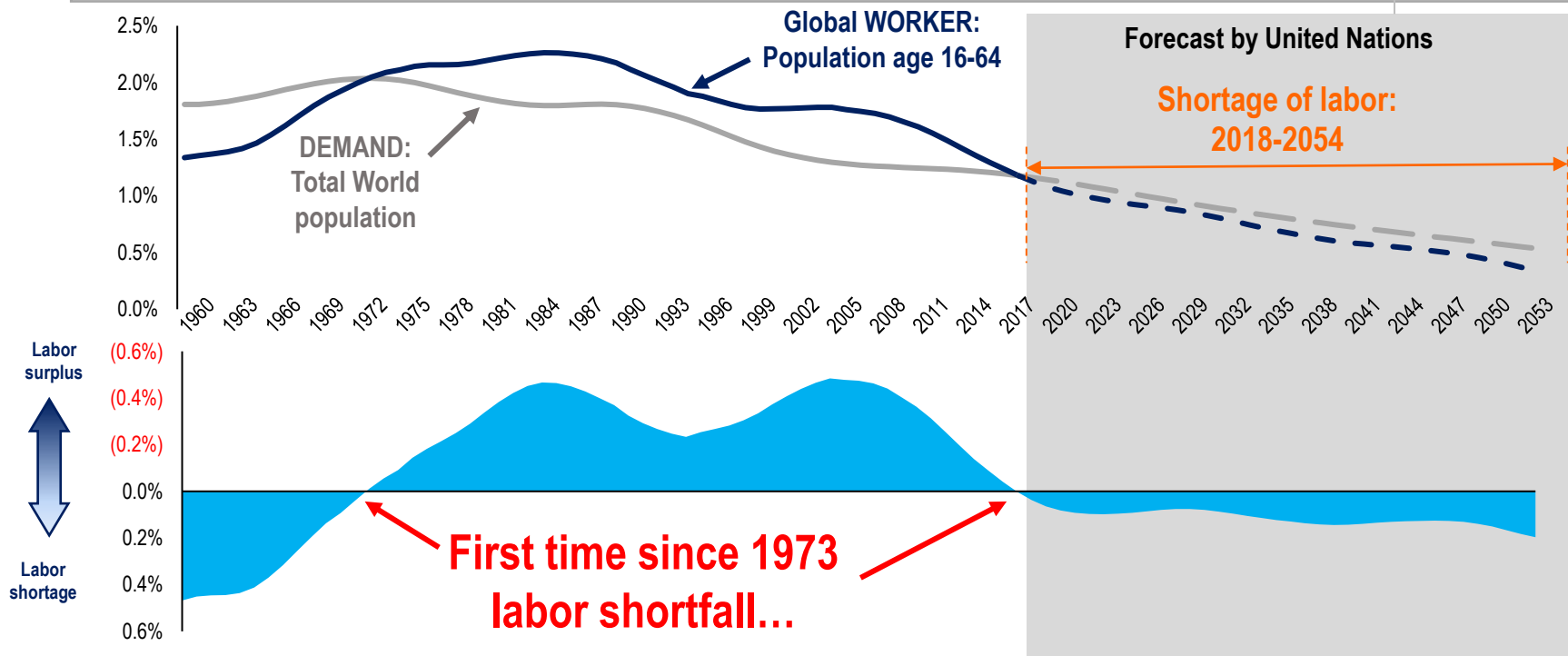
# Prior periods of labor shortage saw a surge in Technology spending...

Technology spend (as % GDP) is shown below and the shaded areas show the two prior periods of "labor shortage" (population outstripped worker growth).

- **As shown, during both periods, Technology spend rose sharply as % GDP (+100bp, +170bp, respectively). This rise is not surprising—after all, companies meet production demands by automating.**

- **We believe Technology spend could rise to 5.5% of GDP from 3.6% in 2015 (when the shortage of labor started), given the large labor shortage developing.**

**Figure: Technology spend as % GDP**

Starting in 1947. Based on the sum of GDP components of Information Processing plus software (as % GDP)



Source: Fundstrat, Bloomberg

fundstrat capital
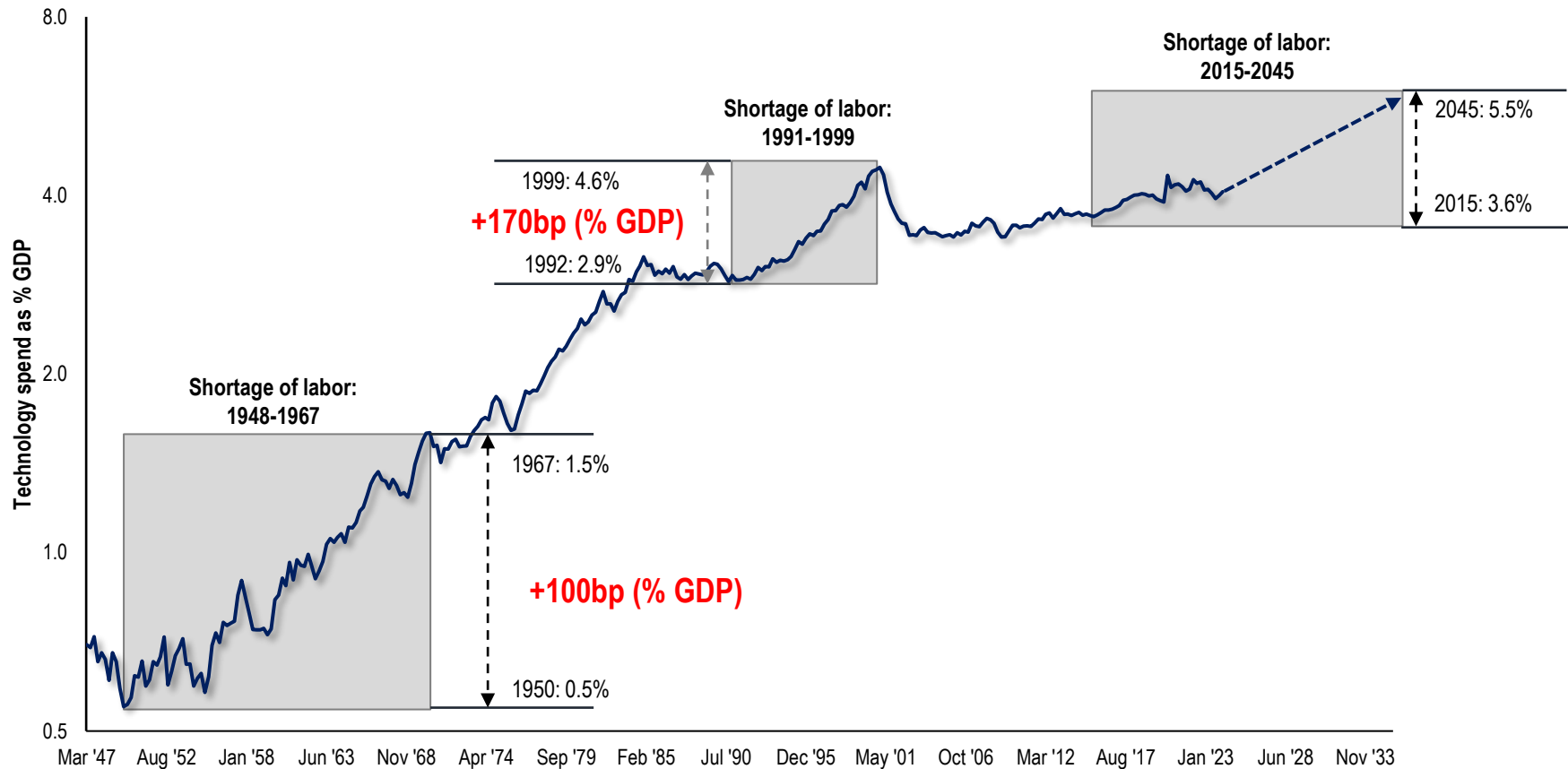
# GRNY Theme Introduction – Global Labor Shortage

Figure: Comparative relative performance of US Technology stocks during periods of US labor shortage
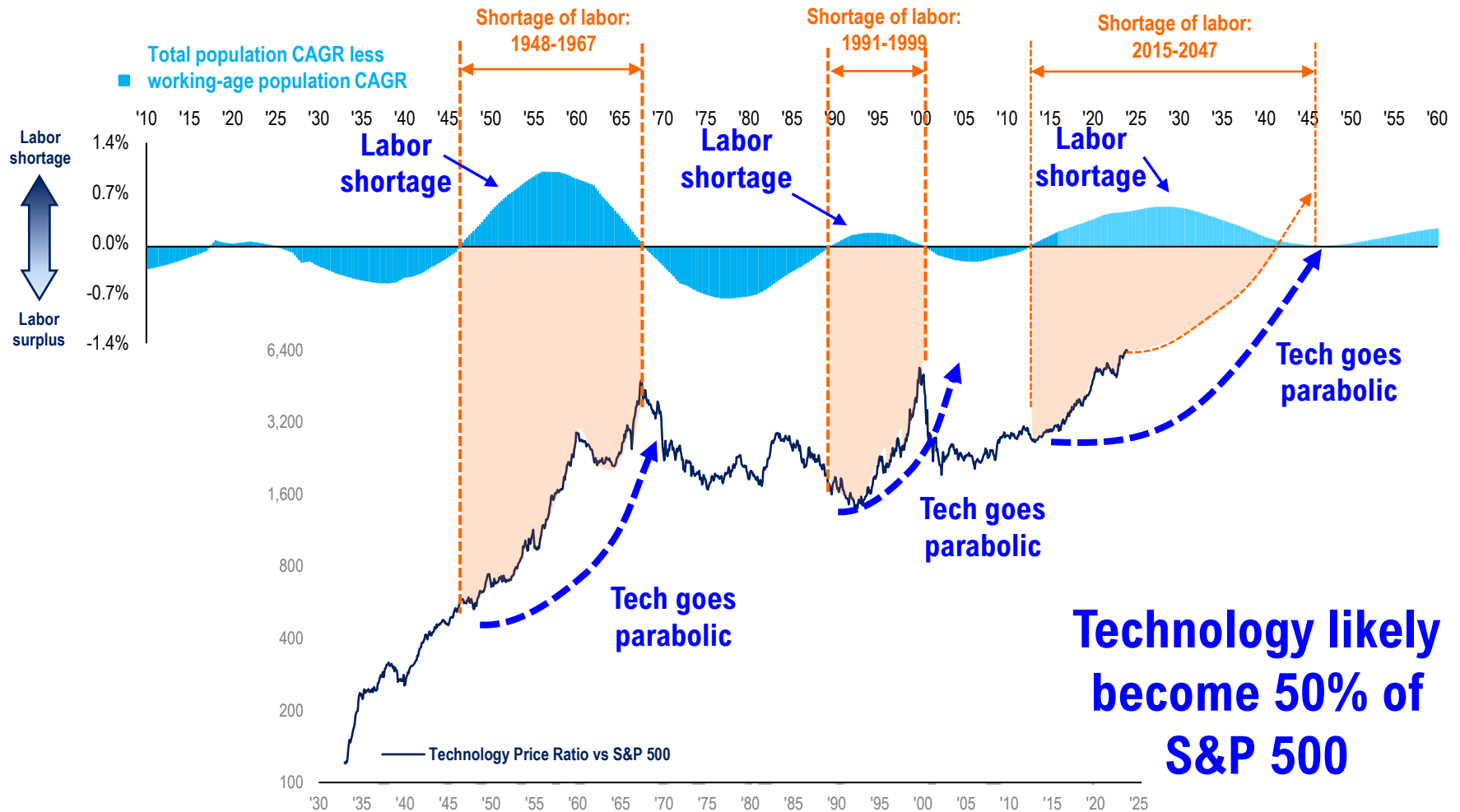


Source: Fundstrat, Bloomberg, US Census Bureau, UN DESA

fundstrat capital

# GRNY Theme Introduction – Easing Financial Conditions

As macroeconomic conditions allow the Fed to take a doveish stance, and financial conditions ease, certain industries and companies are positioned to benefit.

40 stocks were submitted for inclusion in the GRNY ETF based on our analysis of their prospects.

**Easing Financial Conditions**

**40** Stocks in Theme

**12** Stocks in GRNY

## Holdings Corresponding to the Theme:

| | | |
|------|-------|------|
| AXON | GOOGL | PGR |
| AXP | GRMN | SPGI |
| BK | ISRG | |
| CAT | META | |
| GE | NFLX | |

Source: Fundstrat Capital

**fundstrat capital**

# GRNY Theme Introduction – Easing Financial Conditions

GRNY

Fed Funds Rate vs Core Consumer Price Index (CPI) YoY

Since 2000

**Fed Funds (Upper Bound) and Core CPI YoY**

*Forecast\**

5.50 (Sep '24)

Core CPI YoY

Fed Funds

1.73

**DELTA: Fed Funds Less Core CPI YoY (Upper Bound)**

3.77 (Sep '24)

*Rates too restrictive in 2024*

05/13/2025

fundstrat capital

# GRNY Theme Introduction – Easing Financial Conditions

## Global Industry Classification Standard (GICS) 3 Industry Correlation to Various Financial Condition Indexes

Correlation refers to how the performance or behavior of specific industries (classified under GICS 3) correlates or moves in relation to other variables.
In this case, the focus is on the relationship with financial condition indexes.

**Industries most levered to falling FCI**

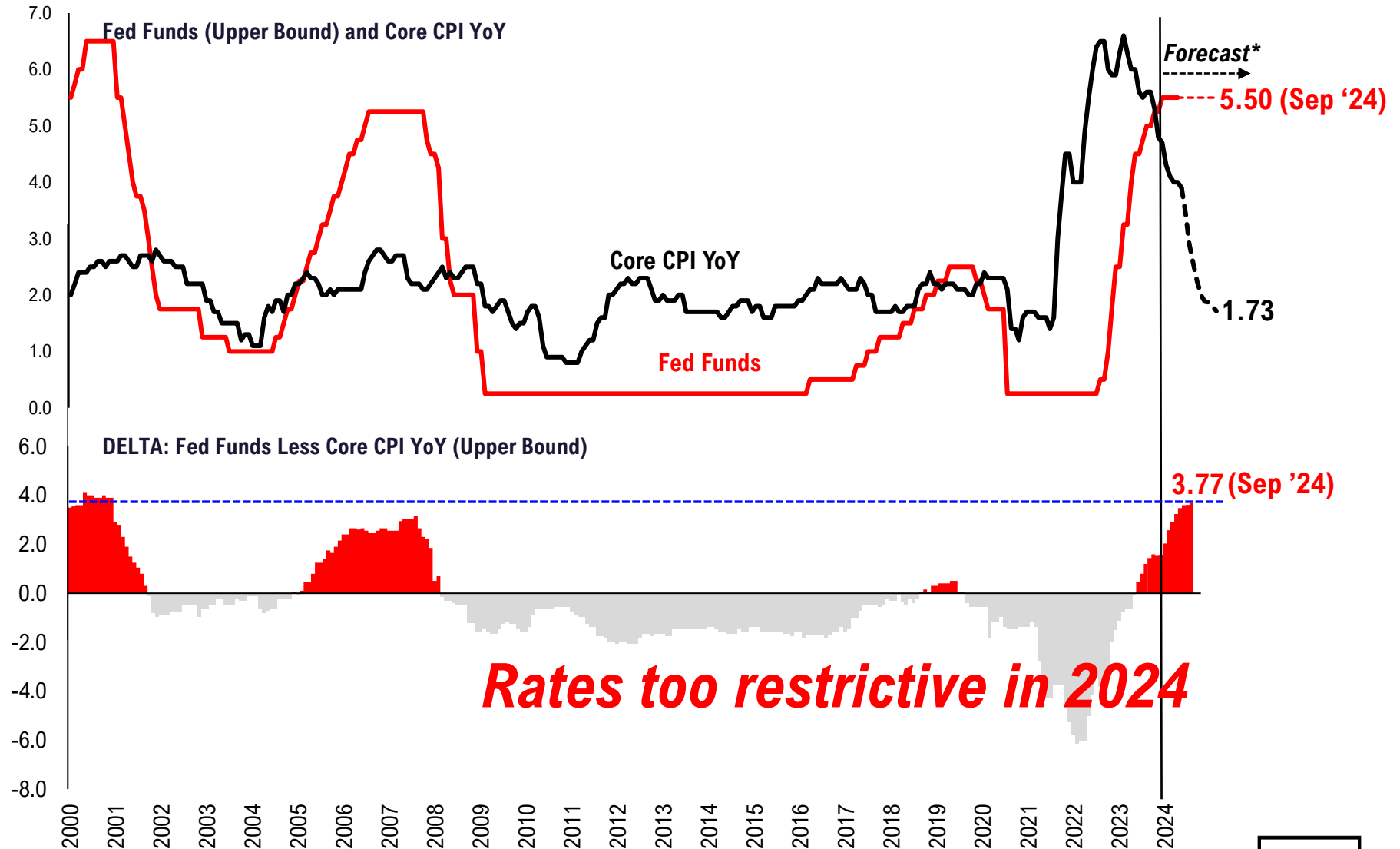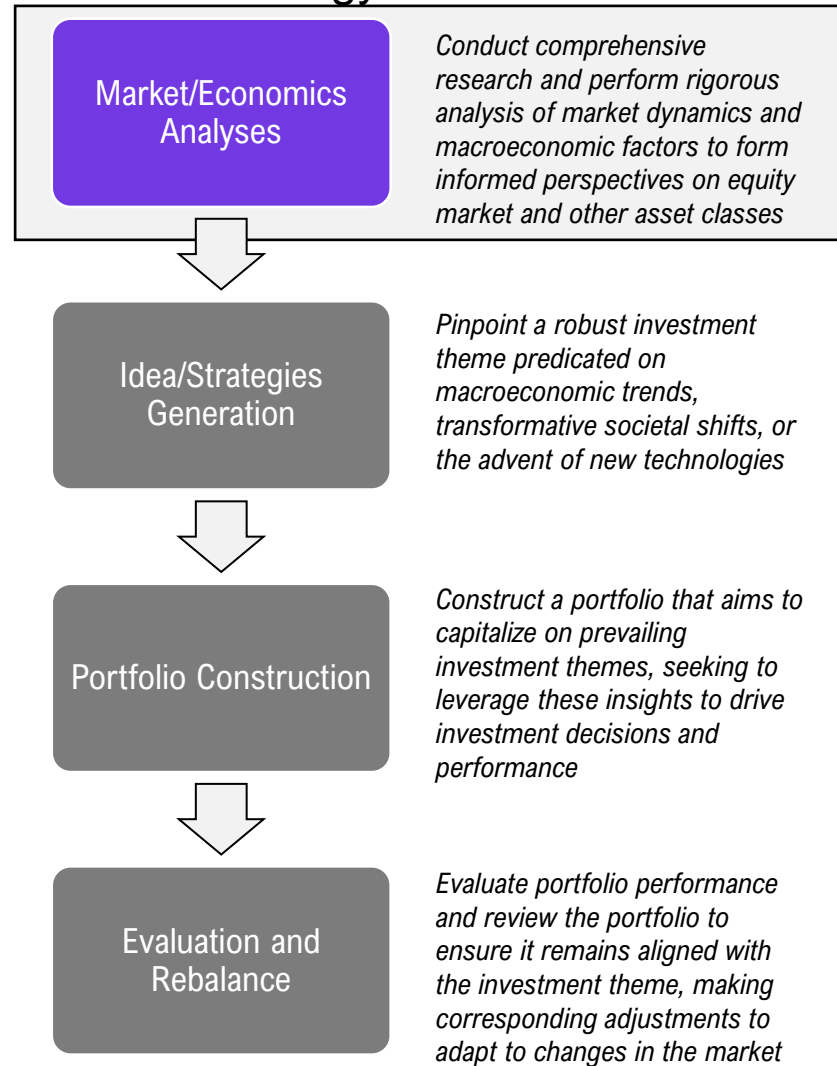| # | Industry | Goldman Sach FCI | Bloomberg FCI | Chicago FCI | Composite |
|---|---|---|---|---|---|
| 1 | IT Services | 1 | 1 | 1 | 1 |
| 2 | Professional Services | 1 | 1 | 1 | 1 |
| 3 | Capital Markets | 1 | 1 | 1 | 1 |
| 4 | Entertainment | 1 | 1 | 1 | 1 |
| 5 | Commercial Services & Supplies | 1 | 1 | 1 | 1 |
| 6 | Insurance | 1 | 1 | 1 | 1 |
| 7 | Media | 1 | 1 | 1 | 1 |
| 8 | Machinery | 1 | 1 | 1 | 1 |
| 9 | Interactive Media & Services | 2 | 1 | 1 | 1 |
| 10 | Independent Power and Renewable Electricity Producers | 2 | 1 | 1 | 1 |
| 11 | Life Sciences Tools & Services | 2 | 1 | 2 | 1 |
| 12 | Household Durables | 1 | 2 | 2 | 1 |
| 13 | Hotels, Restaurants & Leisure | 1 | 2 | 2 | 2 |
| 14 | Auto Components | 2 | 2 | 1 | 2 |
| 15 | Electrical Equipment | 2 | 2 | 2 | 2 |
| 16 | Aerospace & Defense | 2 | 2 | 2 | 2 |
| 17 | Chemicals | 2 | 2 | 2 | 2 |
| 18 | Distributors | 2 | 1 | 3 | 2 |
| 19 | Consumer Finance | 2 | 2 | 2 | 2 |
| 20 | Industrial Conglomerates | 1 | 2 | 3 | 2 |
| 21 | Equity Real Estate Investment | 1 | 3 | 3 | 2 |
| 22 | Specialty Retail | 2 | 2 | 3 | 2 |
| 23 | Health Care Equipment & Supplies | 2 | 2 | 3 | 2 |
| 24 | Electronic Equipment, Instruments & Components | 2 | 3 | 2 | 2 |
| 25 | Real Estate Management & Devel | 3 | 3 | 1 | 3 |
| 26 | Containers & Packaging | 3 | 3 | 2 | 3 |
| 27 | Trading Companies & Distributors | 3 | 2 | 3 | 3 |
| 28 | Road & Rail | 3 | 3 | 3 | 3 |
| 29 | Technology Hardware, Storage & Peripherals | 3 | 3 | 3 | 3 |
| 30 | Metals & Mining | 3 | 3 | 3 | 3 |

| # | Industry | Goldman Sach FCI | Bloomberg FCI | Chicago FCI | Composite |
|---|---|---|---|---|---|
| 31 | Automobiles | 4 | 3 | 2 | 3 |
| 32 | Building Products | 3 | 4 | 2 | 3 |
| 33 | Oil Gas & Consumable Fuels | 4 | 2 | 4 | 3 |
| 34 | Software | 3 | 3 | 4 | 3 |
| 35 | Health Care Providers & Services | 4 | 3 | 3 | 3 |
| 36 | Communications Equipment | 3 | 3 | 4 | 3 |
| 37 | Energy Equipment & Services | 5 | 3 | 2 | 4 |
| 38 | Diversified Financial Services | 3 | 4 | 4 | 4 |
| 39 | Banks | 3 | 4 | 4 | 4 |
| 40 | Textiles, Apparel & Luxury Goods | 3 | 4 | 4 | 4 |
| 41 | Multiline Retail | 4 | 4 | 3 | 4 |
| 42 | Semiconductors & Semiconductor Equipment | 4 | 4 | 4 | 4 |
| 43 | Construction & Engineering | 4 | 4 | 4 | 4 |
| 44 | Beverages | 4 | 4 | 4 | 4 |
| 45 | Airlines | 5 | 4 | 4 | 4 |
| 46 | Personal Products | 5 | 5 | 3 | 4 |
| 47 | Pharmaceuticals | 4 | 4 | 5 | 4 |
| 48 | Food & Staples Retailing | 4 | 4 | 5 | 4 |
| 49 | Leisure Products | 5 | 5 | 5 | 5 |
| 50 | Food Products | 4 | 5 | 5 | 5 |
| 51 | Diversified Telecommunication Services | 4 | 5 | 5 | 5 |
| 52 | Air Freight & Logistics | 5 | 4 | 5 | 5 |
| 53 | Electric Utilities | 4 | 5 | 5 | 5 |
| 54 | Wireless Telecommunication Services | 5 | 5 | 4 | 5 |
| 55 | Multi-Utilities | 5 | 5 | 5 | 5 |
| 56 | Gas Utilities | 5 | 5 | 5 | 5 |
| 57 | Household Products | 5 | 5 | 5 | 5 |
| 58 | Tobacco | 5 | 5 | 5 | 5 |
| 59 | Biotechnology | 5 | 5 | 5 | 5 |
| 60 | Construction Materials | 5 | 5 | 5 | 5 |

Source: Fundstrat, Bloomberg, FRED

fund**strat** capital

# GRNY – Portfolio Construction Process

## Portfolio Strategy Workflow

**Market/Economics Analyses**

*Conduct comprehensive research and perform rigorous analysis of market dynamics and macroeconomic factors to form informed perspectives on equity market and other asset classes*

**Idea/Strategies Generation**

*Pinpoint a robust investment theme predicated on macroeconomic trends, transformative societal shifts, or the advent of new technologies*

**Portfolio Construction**

*Construct a portfolio that aims to capitalize on prevailing investment themes, seeking to leverage these insights to drive investment decisions and performance*

**Evaluation and Rebalance**

*Evaluate portfolio performance and review the portfolio to ensure it remains aligned with the investment theme, making corresponding adjustments to adapt to changes in the market*

### Macro Research:
- **Economic Indicators:** GDP, Inflation, Labor Market, consumer spending.
- **Monetary Policy:** FOMC, Fed Balance Sheet, Policy, Commercial Banks
- **Demographic Trends:** Domestic /global population growth, work age pop., saving & spending, wealth transfer
- **Technological and Industry Trends:** AI, Ozempic, Robotics, Automation
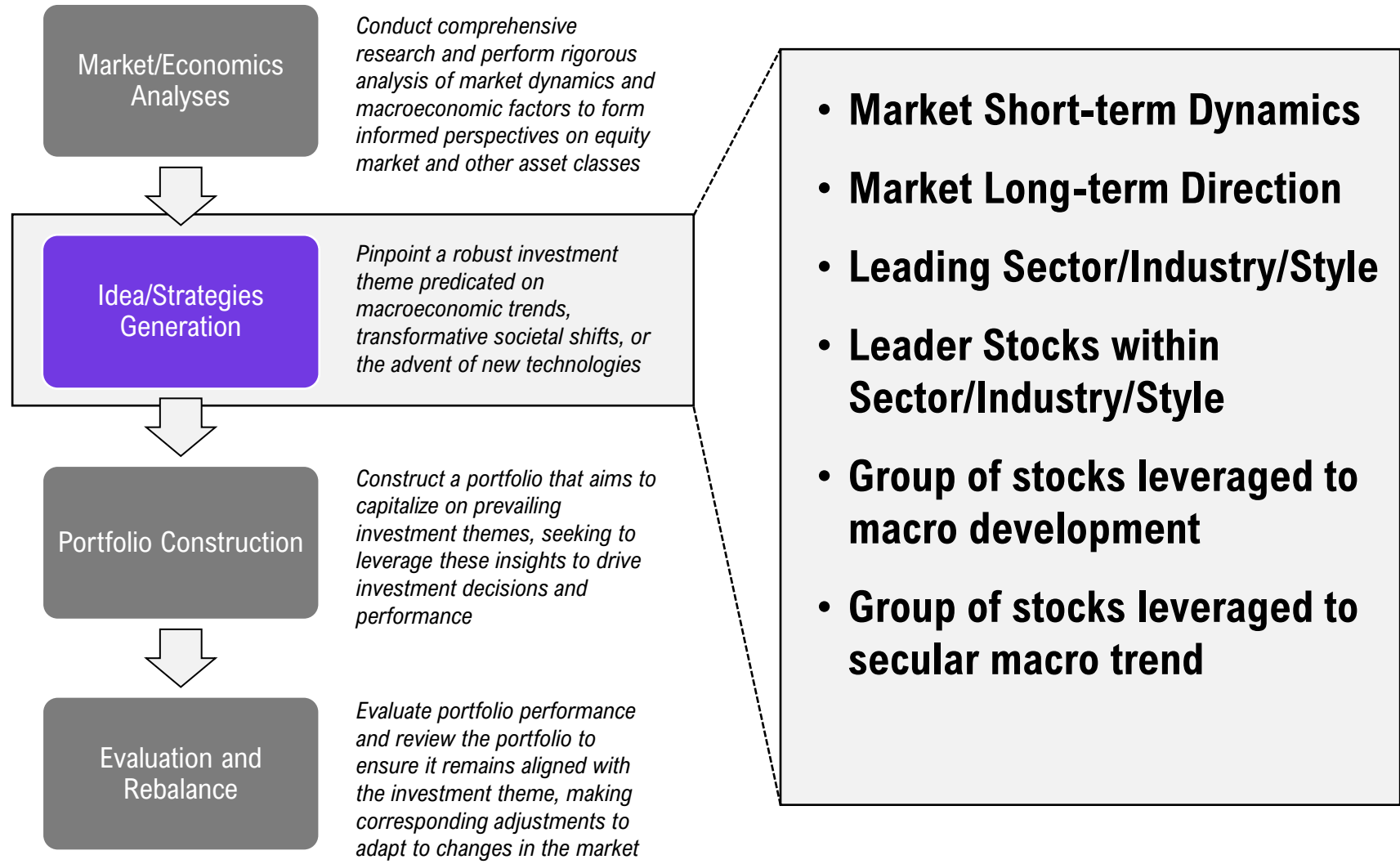- **Surveys:** U Mich, ISM, Conf. Board

### Market Research:
- **Fundament Analysis:** top-line growth, profit margin, EPS, leverage, cash flow, valuation
- **Technical Analysis:** trend, pattern, relative strength
- **EPS Analysis:** Earnings estimates revision, transcript key word analysis
- **Sector/Industry Research:** bottom-up analysis

Source: Fundstrat Capital

**fundstrat capital**

# GRNY – Portfolio Construction Process

## Portfolio Strategy Workflow

**Market/Economics Analyses**

*Conduct comprehensive research and perform rigorous analysis of market dynamics and macroeconomic factors to form informed perspectives on equity market and other asset classes*

⬇

**Idea/Strategies Generation**

*Pinpoint a robust investment theme predicated on macroeconomic trends, transformative societal shifts, or the advent of new technologies*

⬇

**Portfolio Construction**

*Construct a portfolio that aims to capitalize on prevailing investment themes, seeking to leverage these insights to drive investment decisions and performance*

⬇

**Evaluation and Rebalance**

*Evaluate portfolio performance and review the portfolio to ensure it remains aligned with the investment theme, making corresponding adjustments to adapt to changes in the market*

- **Market Short-term Dynamics**
- **Market Long-term Direction**
- **Leading Sector/Industry/Style**
- **Leader Stocks within Sector/Industry/Style**
- **Group of stocks leveraged to macro development**
- **Group of stocks leveraged to secular macro trend**

Source: Fundstrat Capital

fund**strat** capital

# GRNY – Portfolio Construction Process

## Portfolio Strategy Workflow

**Market/Economics Analyses**

*Conduct comprehensive research and perform rigorous analysis of market dynamics and macroeconomic factors to form informed perspectives on equity market and other asset classes*

**Idea/Strategies Generation**

*Pinpoint a robust investment theme predicated on macroeconomic trends, transformative societal shifts, or the advent of new technologies*

**Portfolio Construction**

*Construct a portfolio that aims to capitalize on prevailing investment themes, seeking to leverage these insights to drive investment decisions and performance*

**Evaluation and Rebalance**

*Evaluate portfolio performance and review the portfolio to ensure it remains aligned with the investment theme, making corresponding adjustments to adapt to changes in the market*

**Stocks/Industries Identification**

*Create a universe of investable stocks that aligned with the objective of the theme.*

**Stock Screening**

*Screen stocks from the universe based on our proprietary multifactor quant model (GQM) ranks*

**Active Selection**

*Select stocks based on further analysis of recent financial reports, price movements, and other factors, while considering potential risks.*

Source: Fundstrat Capital

**fundstrat capital**

# Why Fundstrat Granny Shots US Large Cap ETF?

**The Most Important Themes** ▶ Data dependent insights to identify market driving forces

**A Disciplined Approach** ▶ Combining a fundamental top-down process with a quantamental bottom-up model

**An Experienced Team** ▶ Over 50 years of combined sell side and buy side experience

Implication for Our Partners:

Better Long-Term Outcomes

**fundstrat capital**

# GRNY – Holdings Summary Statistics

| # | Ticker | Company | Mkt Cap ($B) | P/E ('26E) | Style Tilt | Seasonality | PMI Upside | Energy/Cyber Security | Millennials | Global Labor Supplier | Easing Financial Condition | Strategy Court |
|---|--------|---------|--------------|------------|-----------|-------------|------------|----------------------|-------------|----------------------|----------------------------|----------------|
| 1 | META | Meta Platforms Inc Class A | $1,424 | 23.3x | • | • | | | • | • | • | 5 |
| 2 | GOOGL | Alphabet Inc. Class A | $928 | 15.7x | • | • | | | • | • | • | 5 |
| 3 | GRMN | Garmin Ltd. | $39 | 23.8x | | | • | | • | • | • | 4 |
| 4 | MSFT | Microsoft Corporation | $3,338 | 29.7x | • | • | | | • | • | | 4 |
| 5 | PLTR | Palantir Technologies Inc. Class A | $290 | 174.3x | • | • | | • | • | | | 4 |
| 6 | AAPL | Apple Inc. | $3,180 | 27.3x | | • | | | • | • | | 3 |
| 7 | PANW | Palo Alto Networks, Inc. | $127 | 52.4x | • | • | | • | | | | 3 |
| 8 | NVDA | NVIDIA Corporation | $3,169 | 23.1x | • | | | | • | • | | 3 |
| 9 | CRWD | CrowdStrike Holdings, Inc. Class A | $110 | 95.5x | • | • | | • | | | | 3 |
| 10 | CDNS | Cadence Design Systems, Inc. | $87 | 41.1x | • | • | | | | • | | 3 |
| 11 | AXP | American Express Company | $212 | 17.4x | • | | | | • | | • | 3 |
| 12 | ISRG | Intuitive Surgical, Inc. | $202 | 62.4x | | | | | | • | • | 2 |
| 13 | CAT | Caterpillar Inc. | $166 | 16.7x | | | | | | • | • | 2 |
| 14 | AMZN | Amazon.com, Inc. | $2,244 | 29.0x | | | | | • | • | | 2 |
| 15 | TSLA | Tesla, Inc. | $1,075 | 108.4x | | | | | • | • | | 2 |
| 16 | EMR | Emerson Electric Co. | $68 | 18.8x | | • | | | | • | | 2 |
| 17 | JPM | JPMorgan Chase & Co. | $731 | 13.4x | | • | | | • | | | 2 |
| 18 | PYPL | PayPal Holdings, Inc. | $70 | 12.8x | | • | | | • | | | 2 |
| 19 | PGR | Progressive Corporation | $166 | 17.9x | | • | | | | | • | 2 |
| 20 | GEV | GE Vernova Inc. | $118 | 39.1x | | • | • | | | | | 2 |
| 21 | ETN | Eaton Corp. Plc | $129 | 24.4x | | • | | | | • | | 2 |
| 22 | BK | Bank of New York Mellon Corp | $63 | 11.6x | | • | | | | | • | 2 |
| 23 | SPGI | S&P Global, Inc. | $158 | 27.2x | | • | | | | | • | 2 |
| 24 | HOOD | Robinhood Markets, Inc. Class A | $48 | 39.9x | • | | | | • | | | 2 |
| 25 | ABT | Abbott Laboratories | $225 | 22.7x | | • | | | • | | | 2 |
| 26 | MNST | Monster Beverage Corporation | $59 | 28.8x | | • | | | • | | | 2 |
| 27 | PWR | Quanta Services, Inc. | $51 | 29.0x | • | | • | | | | | 2 |
| 28 | NFLX | Netflix, Inc. | $484 | 36.7x | • | | | | | | • | 2 |
| 29 | MSTR | MicroStrategy Incorporated Class A | $107 | - | | • | | | • | | | 2 |
| 30 | ORCL | Oracle Corporation | $455 | 20.0x | • | | | | | • | | 2 |
| 31 | KLAC | KLA Corporation | $105 | 24.0x | • | | | | | • | | 2 |
| 32 | GE | GE Aerospace | $236 | 34.2x | • | | | | | | • | 2 |
| 33 | FICO | Fair Isaac Corporation | $52 | 58.9x | • | • | | | | | | 2 |
| 34 | GS | Goldman Sachs Group, Inc. | $185 | 12.0x | • | | • | | | | | 2 |
| 35 | COST | Costco Wholesale Corporation | $443 | 50.1x | • | | | | | • | | 2 |
| 36 | AXON | Axon Enterprise Inc | $56 | 94.4x | • | | | | | | • | 2 |
| 37 | ANET | Arista Networks, Inc. | $122 | 32.6x | • | | | • | | | | 2 |
| 38 | AMD | Advanced Micro Devices, Inc. | $182 | 19.4x | • | | | | | • | | 2 |

fundstrat capital

# Fundstrat Capital Partners – Tidal Financial Group

**TIDAL.**
The ETF Masters

Our partner Tidal Financial Group is an award-winning ETF platform enabling financial institutions to launch,, manage and grow ETFs.
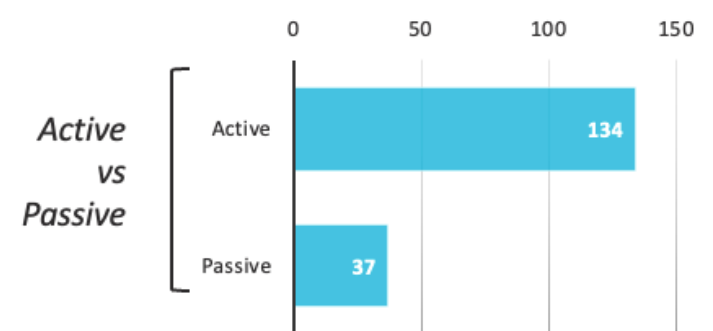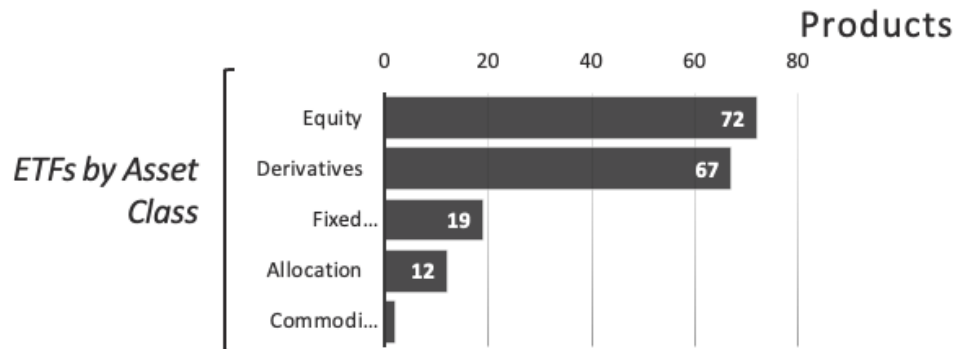
**$20bn+** AUM | **170+** ETF Funds Managed | **60+** ETF Sponsors and Issuers | **2012** Founded | **70+** Employees | **300+** Years Combined Experience

### Products

ETFs by Asset Class:
- Equity: 72
- Derivatives: 67
- Fixed...: 19
- Allocation: 12
- Commodi...

Active vs Passive:
- Active: 134
- Passive: 37

Source: Tidal Financial Group

fundstrat capital

# Fundstrat Capital Partners – Tidal Financial Group

**TIDAL.**
The ETF Masters

## Operations & Compliance Deliverables

- Tidal's Compliance team works closely with the Tidal Trading group to implement and maintain pre-and post-trade compliance controls in our Bloomberg trading process. These controls integrate customized rules based on fund Prospectus and Statement of Additional Information, as well as applicable requirements of the Investment Company Act of 1940 and Tax Code (Regulation M diversification tests).

- Tidal's Bloomberg trading platform integrates compliance functionalities with portfolio management and trading capabilities. It provides tools for pre-trade compliance checks, post-trade monitoring, real-time alerts, trade reconstruction, and reporting.

- Members of the Tidal compliance have direct oversight of portfolio compliance in the trading process through the Bloomberg system and real-time, intra-day communications with Tidal trading professionals.

Source: Tidal Financial Group

**fundstrat capital**

# Fundstrat Capital Partners – Tidal Financial Group

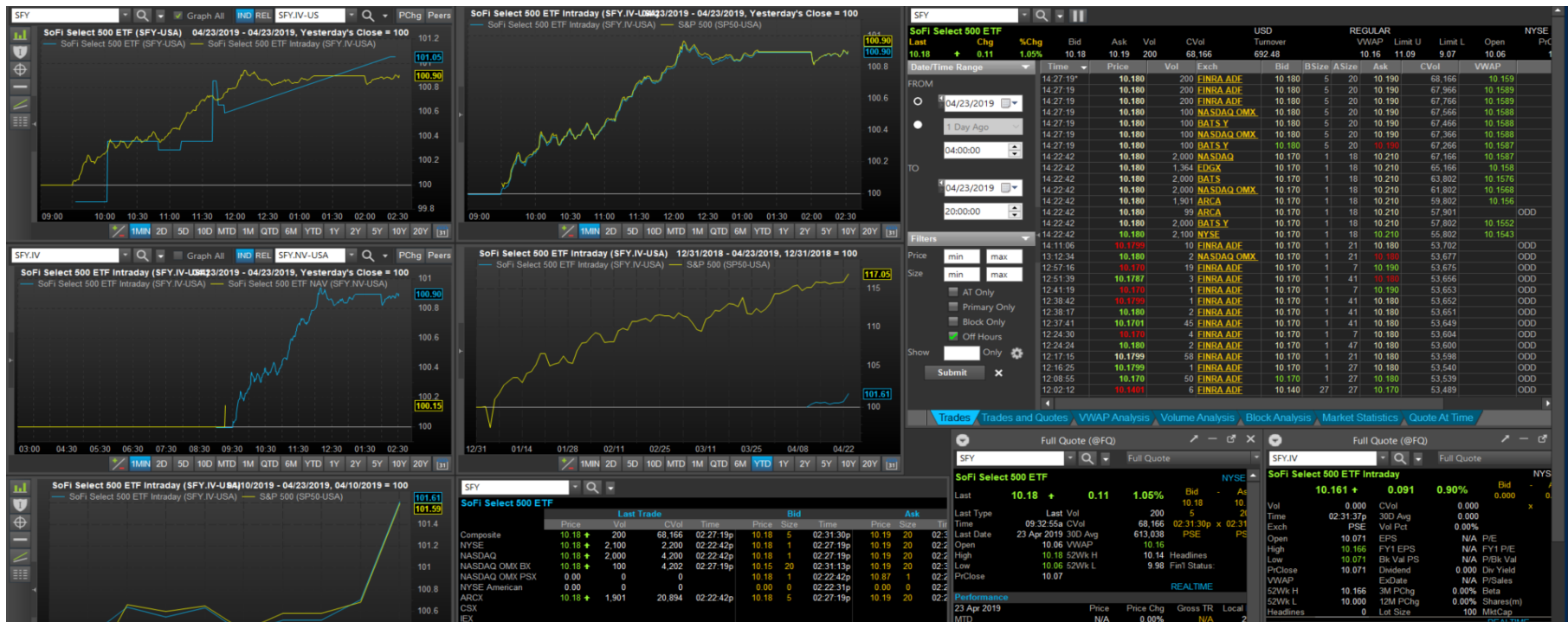## Tidal Systems & Data Transfer
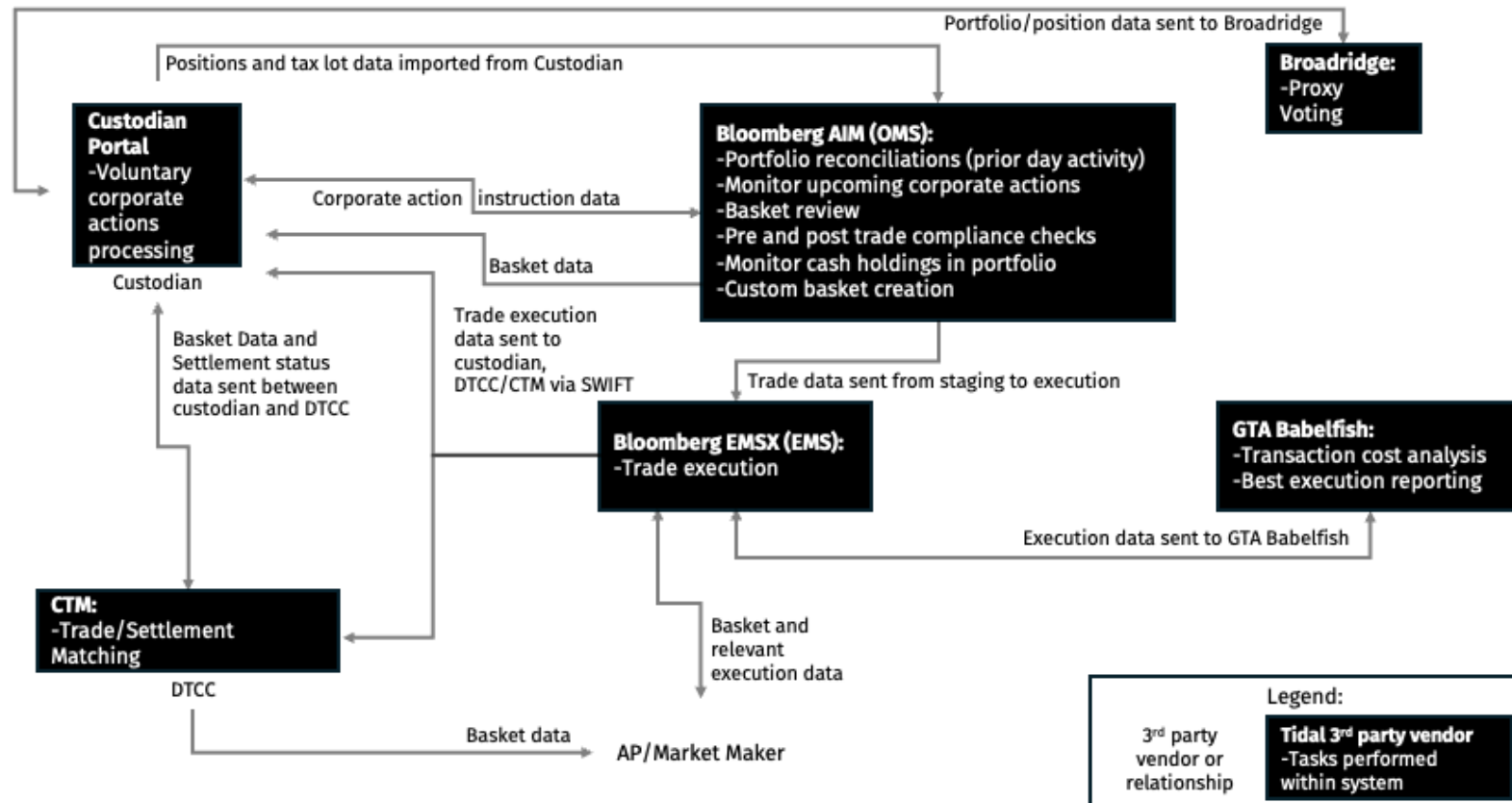


Source: Tidal Financial Group

# Fundstrat Capital Partners – Tidal Financial Group

## Tidal's Intra-Day Spread Monitoring & LMM Engagement

- Example: Bid/Ask spread (10.18/10.19) deviating from underlying NAV (10.16)

- Result: Contacted Market Maker who adjusted spread ensuring better execution



Source: Tidal Financial Group

# Disclosures

*Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call* 212-293-7140 (option 3), *or visit our website at grannyshots.com. Read the prospectus or summary prospectus carefully before investing.*

The principal risks of investing in the Fund are summarized below. As with any investment, there is a risk that you could lose all or a portion of your investment in the Fund. Some or all of these risks may adversely affect the Fund's net asset value per share ("NAV"), trading price, yield, total return, and/or ability to meet its investment objective. For more information about the risks of investing in the Fund, see the section in the Fund's Prospectus titled "Additional Information About the Fund-Principal Risks of Investing in the Fund."

**Equity Market Risk.** Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from specific issuers.

**Models and Data Risk.** The composition of the Fund's portfolio is heavily dependent on investment models developed by the Sub-Adviser as well as information and data supplied by third parties ("Models and Data"). When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities from the Fund's portfolio that would have been excluded or included had the Models and Data been correct and complete.

**Operational Risk.** The Fund is subject to risks arising from various operational factors, including, but not limited to, human error, processing and communication errors of the Fund's service providers, counter parties or other third-parties, failed or inadequate processes and technology or systems failures. The Fund relies on third-parties for a range of services, including custody.

**New Fund Risk.** The Fund is a recently organized management investment company with no operating history. As a result, prospective investors do not have a track record or history on which to base their investment decisions.

Foreside Fund Services, LLC distributor.  Not affiliated with Fundstrat Capital, LLC

fund**strat** capital