

# Zacks Small/Mid Cap ETF

(SMIZ) NYSE Arca, Inc.

Annual Shareholder Report - November 30, 2024



## Fund Overview

This annual shareholder report contains important information about Zacks Small/Mid Cap ETF for the period of December 1, 2023 to November 30, 2024. You can find additional information about the Fund at <https://zacksetfs.com/resources.php>. You can also request this information by contacting us at 1-855-813-3507.

## What were the Fund's costs for the last year?

(based on a hypothetical \$10,000 investment)

Fund Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Zacks Small/Mid Cap ETF	\$60	0.55%

## How did the Fund perform during the reporting period?

From December 1, 2023, to November 30, 2024, the Zacks Small/Mid-Cap ETF (SMIZ) achieved a strong return of +39.88%, significantly outperforming the benchmark Russell 2500 Index, which returned +34.10% during the same period. The +5.78% outperformance was primarily driven by the selection effect.

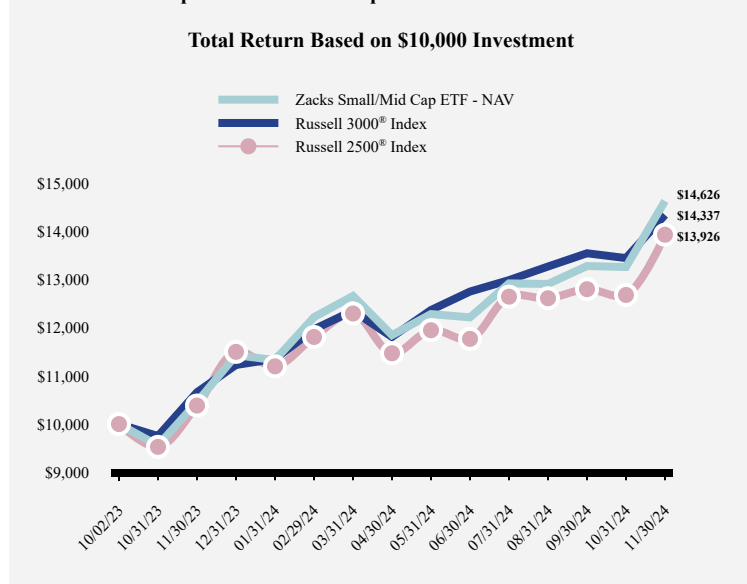
The Technology sector was the top contributor to SMIZ's performance, delivering a remarkable return of +56.41%. The fund's Technology sector allocation was 14.69%, compared to 8.52% in the Russell 2500 Index. This combination of strategic overweighting and effective stock selection added +5.73% to SMIZ's active return against the benchmark.

SMIZ focuses on investing in companies expected to benefit from upward earnings estimate revisions. During the fiscal year, our proprietary earnings estimate revision model performed exceptionally well, driving significant outperformance. In a market driven by expanding price-to-earnings (P/E) multiples, companies with upward earnings revisions often outperform as the market rewards projected growth. SMIZ benefited substantially from this dynamic.

The portfolio currently includes approximately 200 companies, evenly split between small-cap and mid-cap stocks. Historically, small- and mid-cap stocks trade at a larger discount compared to large-cap stocks, even though many exhibit comparable profit and free cash flow margins. Over the past decade, small- and mid-cap companies have grown earnings faster on average than large-cap peers, yet their stock price appreciation has lagged.

We believe this valuation disparity, coupled with SMIZ's targeted investment approach, positions the fund for strong growth in the future. As a result, SMIZ represents a valuable addition to any balanced portfolio.

## How has the Fund performed since inception?



## Average Annual Total Returns

	1 Year	Since Inception (October 2, 2023)
Zacks Small/Mid Cap ETF - NAV	39.88%	38.73%
Russell 3000® Index	34.49%	36.36%
Russell 2500® Index	34.10%	32.99%

*The Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares.*

## Fund Statistics

Net Assets	\$97,755,244
Number of Portfolio Holdings	197
Advisory Fee (net of waivers)	\$59,628
Portfolio Turnover	103%

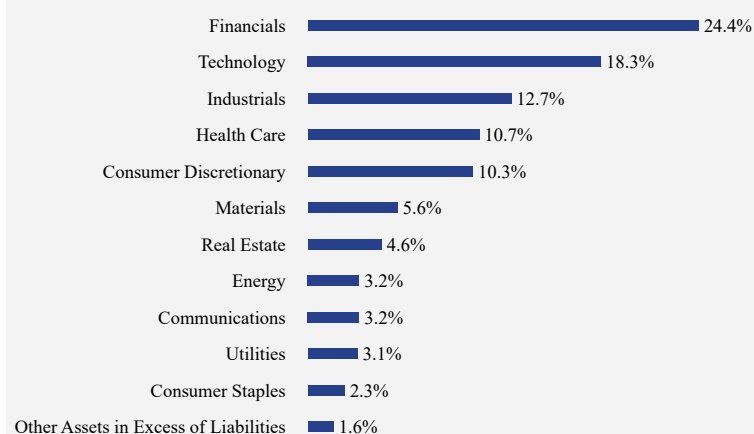
## Asset Weighting (% of total investments)



— Common Stocks 100.0%

## What did the Fund invest in?

### Sector Weighting (% of net assets)



### Top 10 Holdings (% of net assets)

Holding Name	% of Net Assets
EMCOR Group, Inc.	1.7%
BellRing Brands, Inc.	1.2%
IonQ, Inc.	1.2%
Sylvamo Corporation	1.1%
Mercury General Corporation	1.1%
ProAssurance Corporation	1.1%
Northern Trust Corporation	1.0%
Datadog, Inc., Class A	1.0%
Insulet Corporation	1.0%
ChoiceOne Financial Services, Inc.	1.0%

## Material Fund Changes

No material changes occurred during the year ended November 30, 2024.



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## Where can I find additional information about the Fund?

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- Prospectus
- Financial information
- Holdings
- Proxy voting information