



## Part 2A of FORM ADV

### Firm Brochure

**ARK Investment Management LLC**

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March 31, 2023

This Brochure provides information about the qualifications and business practices of ARK Investment Management LLC (“**ARK**”). If you have any questions about the contents of this Brochure, please contact us at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. ARK is a registered investment adviser with the SEC. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about ARK is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 MATERIAL CHANGES

The following section only discusses material changes that occurred between March 31, 2022 and March 31, 2023:

### Item 4. Advisory Business.

- Updates to add the recently launched ARK Venture Fund on September 1, 2022.
- Total assets under management (“AUM”) as of February 28, 2023 are approximately \$22,934,000,000 (rounded to the nearest million), which is broken out as follows:
  - Discretionary AUM: \$13,884,000,000 (rounded to the nearest million).
  - Non-discretionary AUM: \$9,051,000,000\* (rounded to the nearest million).

\*This number includes the assets that are managed by others using our continuous and ongoing nondiscretionary portfolios, which include Sub-Advised Funds. ARK does not include assets managed by other persons based on continuous and ongoing non-discretionary portfolios provided by ARK in the calculation of our regulatory assets under management in Part 1A, Item 5.F of the Form ADV.

- Additionally, as of February 28, 2023, ARK’s non-discretionary assets under advisement (“AUA”) totaled approximately \$400,000,000\* (rounded to the nearest million).

\*This number includes the assets that are managed by others using non-discretionary Wrap Fees or UMAs, and Model Portfolios (each described in Item 5). ARK does not include AUA in the calculation of our regulatory assets under management in Part 1A, Item 5.F of the Form ADV, which is dated March 31, 2023, or in non-discretionary AUM above.

### Item 5. Fees and Compensation.

- Updates to the annual Management Fee section for the Index ETFs to reflect the liquidation of “ARK Transparency ETF” (CTRU) effective, July 29, 2022.
- Updates to add fee information for the ARK Venture Fund.

### Item 7. Types of Clients.

- Updates to add the recently launched ARK Venture Fund on September 9, 2022.
- Updates to reflect the liquidation of CTRU.

### Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.

- Updates to reflect the liquidation of CTRU.
- Updates to add certain risks in the Descriptions of Material Risks section considering the launch of

the ARK Venture Fund.

Item 10. Other Financial Industry Activities and Affiliations.

- Updates to reflect an additional Private Fund managed by ARK, including its general partner, which is solely owned by ARK.

Item 11. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.

- Updates to amend the pre-clearance and reporting obligations of ARK's Access Persons' investments in securities under ARK's Code of Ethics.

Item 12. Brokerage Practices.

- Updates to reflect ARK's general trading practices as it relates to transactions placed that could be a larger portion of a security's daily trading volume.

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## ITEM 4 ADVISORY BUSINESS

### Description of the Advisory Firm

ARK Investment Management LLC (“ARK” or the “Adviser”) is a Delaware limited liability company with headquarters located at 200 Central Avenue, Suite 220, St. Petersburg, FL 33701. ARK is an independent, woman-owned and controlled firm that has been registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser since January 2014. ARK began managing assets in September 2014.

Catherine D. Wood, ARK’s founder, Chief Executive Officer (“CEO”), and Chief Investment Officer (“CIO”) is the portfolio manager responsible for managing client assets. Ms. Wood has over 40 years of experience in theme-based investing (as defined below). Ms. Wood launched ARK after spending the previous 12 years at AllianceBernstein where she served as Chief Investment Officer for its global thematic portfolios, managing approximately \$5-6 billion. Prior to AllianceBernstein, in 1997, Ms. Wood co-founded Tupelo Capital Management. Prior to Tupelo, Ms. Wood held numerous positions in her 18 years at Jennison Associates, including research analyst and portfolio manager. During her career, Ms. Wood has tracked technologies that enabled the development of new industries, such as cell phones and database publishing, from their nascent stage to their full realization for the benefit of her investors and clients.

ARK (an acronym for “Active, Research and Knowledge”) specializes in thematic investing in disruptive innovation with a fresh take on fundamental analysis. Thematic investing is based on broader, macroeconomic topics (i.e., themes) rather than benchmarks, and seeks to capture long-term growth independent of sectors, geographic boundaries, and market-caps. Specifically, ARK invests in themes that participate in disruptive innovation across sectors. ARK defines “disruptive innovation” as the introduction of a technologically enabled new product or service that ARK expects to change an industry landscape. It typically involves declining cost structures and increased productivity and unit growth. Despite its potential, ARK believes the full magnitude of disruptive innovation and the investment opportunities it creates are often unrecognized or misunderstood by traditional investors.

ARK’s goal is to invest at the pace of innovation based on the belief that technologically enabled change is occurring at an accelerated rate, challenging benchmarks and index-based products to adjust to this rapid pace of change. ARK’s differentiated investment strategy is to find and invest in the companies that are poised to transform the global economy.

### ARK’s Investment Process

ARK recognizes that many traditional research analysts, by focusing narrowly on individual sectors, create inefficiencies in the financial markets both in understanding the market potential of disruptive innovations and in sizing investment opportunities appropriately. ARK’s cohesive team, specifically its Chief Futurist, Directors of Research and Investment Analysis, Associate Portfolio Managers, Research Analysts, Research Associates and its Portfolio Manager (“ARK Team”), seek to identify what they believe to be the best companies within their respective themes (and the elements within those themes) to power ARK’s investment decisions. ARK’s distinctive and dynamic investment process is rooted in fundamental analysis and distinguished by ARK’s ability to access and harness the vast amount of information available through social media and traditional research sources to support ARK’s investment decisions.

ARK has a rigorous investment process, which includes “top-down” and “bottom-up” investment analysis and a proprietary scoring system. ARK’s investment process initially examines from the top-down how the world is changing and where it is headed. By anticipating and quantifying multi-year value-chain transformations, typically caused by technologically enabled disruptive innovation, ARK believes it can identify and capitalize on these opportunities. To understand quickly changing innovation themes, ARK employs an open research ecosystem (“ARK’s Open Research Ecosystem”) to gather information and refine its internal research process. Inputs include ideas, thoughts and public information from theme developers who we believe are thought leaders in their fields, social media interactions, and crowd-sourced insights as people respond to ARK’s public research. ARK’s Open Research Ecosystem powers the distinctive and dynamic investment process that enables ARK to understand and keep pace with the power of technologically enabled innovation.

Using this information in an iterative fashion, ARK’s Team works to “size” and “re-size” the opportunities. As a result of extensive and iterative research steps, ARK anticipates and quantifies multi-year value-chain transformations and market opportunities. ARK models cost-curves and calculates elasticity of demand to identify entry points for technology-enabled disruption. Through this process, specific companies percolate to the top as those we believe are best positioned to benefit from the identified investment premise, at which point ARK begins its bottom-up process.

ARK scores potential investments based on six key metrics, inputting the values into a proprietary scoring system to quantify the companies in the context of the opportunity. ARK builds models that incorporate the company’s unit volume growth, cost declines, market adoption and penetration, share count growth, and future multiples. The CIO has final accountability for the selection of investments and approval for all investment decisions.

Additionally, in ARK’s “top-down” and “bottom-up” approaches, ARK evaluates environmental, social, and governance (“ESG”) considerations. In its “top-down” approach, ARK uses the framework of the United Nations Sustainable Development Goals (“UN Goals”) to integrate ESG considerations into its research and investment process. In its “bottom-up” approach, ARK makes its investment decisions primarily based on its analysis of the potential of individual companies, while integrating ESG considerations into that process. ARK’s highest-conviction investment ideas are those that it believes present the best risk-reward opportunities. ARK, however, does not use ESG considerations to limit, restrict or otherwise exclude companies or sectors from an investment universe.

### ARK’s Open Research Ecosystem

ARK’s Open Research Ecosystem is the unique process through which the ARK Team evaluates, models and exchanges data and public information to fuel ongoing thematic research, start creative discussions around burgeoning research ideas, gather data and public information from multiple sources, and drive the conclusions leading to ARK’s theme-based research decisions in disruptive innovation.

The ARK Team introduces an idea or concept that requires investment research and analysis, determines the overarching direction of the research and then pulls together and analyzes information, insights and data from numerous sources. ARK’s Open Research Ecosystem begins with internal deliberations and iteration of disruptive innovation ideas generated from ARK’s discerning use of traditional and social media sources. Once the ARK Team believes an idea is ripe for deeper external analysis and comment, the appropriate ARK Team members communicate and collaborate with relevant Theme Developers (as defined below) about the particular idea.

This intense and deep exploration often results in “living research” articles that are prepared by the ARK Team members, which are published on our external website ([www.ark-invest.com](http://www.ark-invest.com)). This living research is available for open-source discussion and feedback and is subject to potential revisions, refinements and enhancements by the ARK Team and publication of further refined research. The knowledge and insights gained throughout ARK’s Open Research Ecosystem enables ARK to modify its portfolio positions accordingly, feeding the ARK investment process.

### ARK Theme Developers

Theme Developers are those we deem to be thought leaders from a variety of fields who offer meaningful insights, experience, and knowledge about ARK’s research themes. The ARK Team actively engages with these Theme Developers in ARK’s Open Research Ecosystem. ARK’s Theme Developers do not receive any monetary compensation for participating in ARK’s Open Research Ecosystem and are only benefited through the exchange of ideas, knowledge and research. Also, ARK contractually obligates Theme Developers to, among other things: not exchange material non-public information; not share confidential information about ARK and/or its clients; and disclose all conflicts of interest to ARK’s Chief Compliance Officer (“CCO”) initially and on an ongoing basis with respect to serving as a Theme Developer for ARK.

## **Types of Advisory Services**

### Advisory and Supervisory Services to the ARK ETFs

ARK provides investment advisory services to the ARK ETF Trust, a registered investment company. The ARK ETF Trust has eight separate series (each, an “ARK ETF”, and collectively, “ARK ETFs”), which are exchange-traded funds. ARK serves as the investment adviser to each ARK ETF, subject to the general supervision of the Board of Trustees of the ARK ETF Trust. ARK’s duties as adviser to each ARK ETF include furnishing a continuous investment program for the ARK ETFs and determining what investments or securities will be purchased, held or sold. After the initial two-year period following commencement of operations of the relevant ARK ETF, the ARK ETF Trust’s Board of Trustees annually reviews and evaluates the services provided by ARK under the investment advisory agreement (“Advisory Agreement”) and is asked to approve the Advisory Agreement for an additional one-year period.

Pursuant to a supervision agreement between ARK and the ARK ETF Trust, with respect to each ARK ETF (“Supervision Agreement”), and subject to the general supervision of the Board of Trustees of the ARK ETF Trust, ARK also provides or causes to be furnished, all management, supervisory and other services reasonably necessary for the operation of each ARK ETF and bears the costs of various third-party services required by the ARK ETFs, including administration, certain custody, audit, legal, transfer agency, and printing costs. The Supervision Agreement also requires ARK to provide investment advisory services to the ARK ETFs pursuant to the Advisory Agreement.

Additional information regarding the services provided by ARK to the ARK ETF Trust can be found in the ARK ETFs’ prospectuses and statement of additional information, which are publicly available at [www.ark-funds.com](http://www.ark-funds.com), on the EDGAR Database on the SEC’s website ([www.sec.gov](http://www.sec.gov)) or by contacting the ARK ETFs’ principal underwriter, Foreside Fund Services, LLC at Three Canal Plaza, Suite 100, Portland, ME 04101 or by calling 855-406-1506.

### Advisory Services to the ARK Venture Fund

ARK provides investment advisory services to the ARK Venture Fund (the “Venture Fund”), a Delaware statutory trust that is registered under the 1940 Act as a non-diversified, closed-end management investment company. ARK serves as the investment adviser to the Venture Fund, subject to the general oversight of the Venture Fund’s Board of Trustees, and is responsible for the day-to-day investment management of the fund. The Venture Fund is designed primarily for long-term investors and not as a trading vehicle. The Venture Fund is an “interval fund” pursuant to which it, subject to applicable law, will conduct quarterly repurchase offers for between 5% and 25% of the Fund’s outstanding shares of beneficial interest (“Shares”) at net asset value (“NAV”) generally.

Additional information regarding the services provided by ARK to the Venture Fund can be found in the ARK Venture Fund prospectus and statement of additional information, which are publicly available at [www.ark-ventures.com](http://www.ark-ventures.com), on the EDGAR Database on the SEC’s website ([www.sec.gov](http://www.sec.gov)) or writing to the Venture Fund at ARK Investment Management, LLC, 200 Central Ave., St. Petersburg, Florida 33701, or by calling toll-free 888-511-2347.

### Advisory Services to Separately Managed Accounts, Other Pooled Investment Vehicles and Clients

ARK provides investment advisory services to certain separately managed accounts and pooled investment vehicles (some of which include retirement plans, tax-exempt entities, limited liability companies, public funds, foundations, endowments, insurance companies and their separately managed accounts, high net worth clients, emerging manager programs, and financial institutions and their customers and clients). ARK also provides sub-advisory services to U.S. and non-U.S. collectively managed funds sponsored by third-parties (“Sub-Advised Funds”). ARK also provides advisory services to private funds (“Private Funds”). ARK can provide investment advisory services to unit investment trusts (“UITs”), other mutual funds, and closed-end funds (“Other Registered Investment Companies”).

Such accounts will be managed in accordance with investment objectives, guidelines, strategies, policies and restrictions established by each client and documented in a written advisory agreement (and related documents) with, or on behalf of, each client and ARK. Depending upon the contractual arrangements, ARK executes purchases and sales of securities for these accounts either through firms that the client directs ARK to use or through broker-dealer firms ARK selects including firms that can furnish ARK with investment research and other brokerage services. As described in more detail in Item 12, in executing trades for accounts where the client authorizes ARK to choose broker-dealers, ARK will seek to obtain the most favorable execution for each transaction under the circumstances taking into consideration several factors, including price. Certain clients can choose to execute their own portfolio transactions based on advice and/or information provided by ARK (including through the provision of model portfolios to certain institutional clients). Additional detail about each of the client types to which ARK provides advisory services is provided in Item 7.

### Advisory Services to Wrap and UMA Programs and Model Portfolios

ARK also offers investment advisory services to clients of wrap fee programs and provides nondiscretionary model portfolios to Unified Managed Account (“UMA”) programs sponsored by non-affiliates. ARK’s nondiscretionary services consist of furnishing model portfolios in various equity strategies, which the UMA program sponsor in some cases chooses to employ in its management of accounts under one or more



managed account programs. For more information about the strategies that ARK offers to wrap and UMA programs, please see Item 8. ARK does not effect or arrange for the purchase or sale of any securities in connection with nondiscretionary model portfolios.

Typically, the sponsor of the wrap fee or UMA program charges a single fee to its clients for all services provided under the program (brokerage, custody and advisory) and pays its advisers, including ARK, a portion of the fee for the services that ARK provides. In some cases, wrap program clients enter into unbundled arrangements with the sponsor where they enter into investment management agreements directly with ARK. These are known as “dual contract” arrangements.

ARK’s portfolios in wrap programs and nondiscretionary models for UMA programs typically hold fewer securities and can be subject to additional constraints, such as minimum market caps or restricted securities, than portfolios managed in a comparable strategy for clients, and can have different brokerage execution. ARK cannot guarantee that the performance and composition of wrap portfolios and nondiscretionary model portfolios will be similar to the performance results and composition of accounts in a comparable strategy and vice-versa due to a variety of reasons, including the difference in the types, availability and diversity of securities that can be purchased, economies of scale, regulations and other factors applicable to the management of ARK’s client accounts.

## **Additional Non-Advisory Services**

### Disclosed Research

ARK can, subject to applicable law, discuss with clients, potential clients or other third parties, one or more issuers (public or private) that it does not then hold in any portfolio managed by ARK and which ARK could consider for investment. Any such discussions are solely for informational purposes, will only regard public information, and are not intended to constitute investment advice (except to the extent such discussions are investment advisory services specifically contemplated by an investment advisory agreement between ARK and a client). Such discussions could include, among other things, the views of the ARK Team regarding the issuer or its securities, the issuer’s financial condition or prospects, or the merits generally of an investment (or non-investment) in that issuer or any industry or sector of which that issuer is a part. ARK is under no obligation to enter into such discussions with any client or all clients and can elect to have such discussions only with certain clients or with third parties in its sole discretion. ARK will not, as a result of any such discussion, be limited in any way from purchasing or selling investments of any such issuer, including investments that could be or appear to be inconsistent with the views expressed in such discussion, except as required by law.

### Published Research

ARK publishes most of its research analysis (“living research”) on our external website ([www.ark-invest.com](http://www.ark-invest.com)) in an on-going effort to educate investors on disruptive innovation. This initiative includes publication of research articles, investment models, white papers, videos, podcasts, or other content formats, hosting of educational research events (live and virtual), and sending research newsletters, stock commentaries, and market commentaries to clients and subscribers (collectively, “Research Content”). Also, ARK publishes fund content on its external websites ([www.ark-funds.com](http://www.ark-funds.com) and [www.ark-ventures.com](http://www.ark-ventures.com)) in an on-going effort to educate investors on disruptive innovation. This initiative includes publication of fund articles, videos, or other content formats, hosting of educational webinars, and sending newsletters to clients and subscribers

(collectively, “Fund Content”). All Research Content and Fund Content is original and has been researched and produced by ARK unless otherwise stated. No part of ARK’s Research Content or Fund Content may be reproduced in any form, or referred to in any other publication, without the express written permission of ARK.

The Research Content and Fund Content is for informational and educational purposes only and should not be construed, either explicitly or implicitly, as investment advice or an offer or solicitation in respect to any products or services by ARK; or services for any persons who are prohibited from receiving such information under the laws applicable to their place of citizenship, domicile or residence. The Research Content and Fund Content is intended only to provide observations and views of the author(s) at the time of publishing, both of which are subject to change at any time without prior notice. Certain of the statements contained within the Research Content and Fund Content are statements of future expectations and other forward-looking statements that are based on ARK’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. ARK’s Research Content and Fund Content and the statements therein are not endorsements of any company or recommendations to buy, sell, or hold any security.

All Research Content and Fund Content is subject to change without notice. All statements regarding companies or securities or other financial information in the Research Content, Fund Content, or any sites relating to ARK are strictly beliefs and points of view held by ARK or the third party making such statement. Research Content and Fund Content should not be used as the basis for any investment decision, and does not purport to provide any legal, tax or accounting advice. Additionally, while ARK’s current assessment of subject companies utilized within Research Content or Fund Content may be positive, it may be necessary for ARK to liquidate or reduce position sizes prior to the company attaining any indicated valuation prices due to a variety of conditions including, but not limited to, client specific guidelines, changing market conditions, investor activity, fundamental changes in the company’s business model and competitive landscape, headline risk, and government/regulatory activity. ARK does not have investment banking, consulting, or any type of fee-paying relationship with any subject company represented in its Research Content or Fund Content.

### Index Research Services

ARK provides research services to a certain index provider in the form of information and insight inputs with respect to industry trends, investment themes, and other relevant topics for indexes focused on disruptive innovation and potentially other themes.

### **Client-Tailored Services and Client-Imposed Restrictions**

Generally, ARK provides advisory services to each client under the terms of an investment advisory agreement between ARK and the client.

As a general matter, ARK’s management of any pooled investment vehicle or registered or unregistered fund will be in accordance with the governing documents for that vehicle or fund including the investment objective, guidelines, differentiated investment strategy or strategies, policies and restrictions for the vehicle or fund. ARK’s management of such vehicle or fund is not tailored to or intended to reflect the specific requirements or needs of any individual investor in the vehicle or fund. ARK’s management of a client’s separately managed account will be tailored to the client and consistent with the particular investment objective, guidelines, differentiated investment strategy or strategies, policies and restrictions the client selects for that account.

Within a given investment theme and consistent with the account, fund, or vehicle's stated investment objectives, investment strategies, guidelines, policies and restrictions, ARK typically has the authority to select which and how many securities and other instruments to buy or sell without consultation with the client (or, in the case of a fund or vehicle, its management or investors).

In certain circumstances, ARK will agree to manage a client's account subject to certain reasonable restrictions imposed by the client, including, without limitation, the exclusion of specific securities or types of securities, within that account, cash levels permitted in the account or techniques that can be used in managing the account. In addition, ARK can agree to manage a client's account where such client wishes to engage in securities lending, provided that sufficient restrictions are established to mitigate the risks of such practice. However, ARK reserves the right not to enter into an agreement with a prospective client, or to terminate an investment advisory agreement with an existing client, if any proposed limitation or restriction is, in ARK's opinion, likely to impair ARK's ability to appropriately provide services to a client, or ARK otherwise believes the limitations or restrictions to be operationally impractical or unfeasible.

The menu of investment themes that ARK can make available to institutional clients, and a brief description of each theme's investment objective(s), along with the investment strategies used to achieve the objective and the material risks associated with such investment strategies, is provided in response to Item 8. Other investment themes not described in Item 8 can be made available to institutional clients. Additional detail about each investment theme is available at no charge by contacting ARK at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact).

The portfolio composition of accounts within the same investment theme can differ at any given time. These differences in portfolio composition are attributable to a variety of factors, including, but not limited to, the type of account (e.g., manner of trade execution), client objectives, guidelines, policies, practices (e.g., securities lending), limitations and restrictions, size of the account, date of initial funding, whether ARK has investment discretion, and significant account activity (e.g., significant number of contributions and/or withdrawals). As a result, the performance of an account within a particular investment theme could differ from other accounts having the same investment strategy.

## **Assets**

### **Assets Under Management**

As of February 28, 2023, ARK's assets under management totaled approximately \$22,934,000,000 (rounded to the nearest million) and breaks out as follows:

- Discretionary: \$13,884,000,000 (rounded to the nearest million)
- Non-discretionary: \$9,051,000,000\* (rounded to the nearest million)

\*This number includes the assets that are managed by others using our continuous and ongoing nondiscretionary portfolios, which include Sub-Advised Funds. ARK does not include assets managed by other persons based on continuous and ongoing non-discretionary portfolios provided by ARK in the calculation of our regulatory assets under management in Part 1A, Item 5.F of the Form ADV.

### **Assets Under Advisement**

Additionally, as of February 28, 2023, ARK's non-discretionary assets under advisement ("AUA") totaled approximately \$400,000,000\* (rounded to the nearest million).

\*This number includes the assets that are managed by others using non-discretionary Wrap Fees or UMAs, and Model Portfolios (each described in Item 5). ARK does not include AUA in the calculation of our regulatory assets under management in Part 1A, Item 5.F of the Form ADV, which is dated March 31, 2023, or in non-discretionary AUM above.

## ITEM 5 FEES AND COMPENSATION

### Fees and Compensation

The following information describes ARK's compensation for the advisory services it provides to each type of client account.

#### ARK ETFs

In accordance with the Supervision Agreement, each ARK ETF pays ARK an annual fee ("Management Fee") in return for providing investment management and supervisory services (including the provision of all services typically needed for the operation of the ARK ETF) under a comprehensive unitary fee structure. The unitary fee structure allows each ARK ETF to pay for the advisory, supervisory, administrative, custody and other services they require under what is essentially an all-in fee structure. However, each ARK ETF bears other expenses that are not covered under the Supervision Agreement (i.e., that are not included in the Management Fee) that can vary and will affect the total level of expenses paid by each ARK ETF. Those expenses include taxes and governmental fees, certain transaction expenses, certain custodial fees and expenses, costs of borrowing money (including interest expenses), and extraordinary expenses (such as litigation and indemnification expenses), as well as various fees and expenses relating to regulatory reporting and filings, and preparing and sending reports to shareholders.

Actively Managed ETFs. The annual Management Fee of 0.75% for each of the six actively managed ETFs is paid to ARK monthly in arrears based on the average daily net assets of each ARK ETF. Pursuant to the Advisory Agreement, the annual investment advisory fee payable to ARK by each ARK ETF, which fee is included within the Management Fee, is 0.55% of average daily net assets of each ARK ETF.

Index ETFs. The annual Management Fee for the two current index ETFs are 0.48% for the ARK Israel Innovative Technology ETF and 0.65% for The 3D Printing ETF, and each Management Fee is paid to ARK monthly in arrears based on the average daily net assets of each ARK ETF. Pursuant to the Advisory Agreement, the annual investment advisory fee payable to ARK by each of these index ETFs, which fee is included within the Management Fee, is 0.30% of average daily net assets of each ARK ETF. The ARK Israel Innovative Technology ETF and The 3D Printing ETF are also charged an additional 0.01% to cover foreign custodial fees and expenses.

Additional information about the fees charged to the ARK ETFs is available in the ARK ETFs' prospectuses and statement of additional information, which are publicly available at [www.ark-funds.com](http://www.ark-funds.com), on the EDGAR Database on the SEC's website ([www.sec.gov](http://www.sec.gov)), or by contacting the ARK ETFs' principal underwriter, Foreside Fund Services, LLC at Three Canal Plaza, Suite 100, Portland, ME 04101 or calling 855-406- 1506.

## ARK Venture Fund

Pursuant to the Advisory Agreement, and in consideration of the advisory services provided by the Adviser to the Venture Fund, the Adviser is entitled to a Management Fee, which is calculated and payable monthly in arrears at the annual rate of 2.75% of the average daily value of the Venture Fund's Net Assets. "Net Assets" means the total assets of the Venture Fund minus the fund's liabilities. In addition to the Management Fee, the Venture Fund bears other fees and expenses, which may vary and will affect the total expense ratio of the Venture Fund, such as taxes and governmental fees, brokerage fees, commissions and other transaction expenses, certain foreign custodial fees and expenses, costs of borrowing money, including interest expenses, and extraordinary expenses (such as litigation and indemnification expenses).

Additional information regarding the Venture Fund expenses can be found in the ARK Venture Fund prospectus in the "Fund Expenses" section, which is publicly available at [www.ark-ventures.com](http://www.ark-ventures.com), on the EDGAR Database on the SEC's website ([www.sec.gov](http://www.sec.gov)) or writing to the Venture Fund at ARK Investment Management, LLC, 200 Central Ave., St. Petersburg, Florida 33701, or by calling toll-free 888-511-2347.

## Separately Managed Accounts, Other Pooled Investment Vehicles and Clients

When ARK enters into an investment advisory agreement or other agreements to provide investment management or advisory services to clients, ARK will charge each such client a fee at a specified annual percentage rate of the client's assets under management ("AUM"). Fees also can include a performance component for certain clients and Private Funds, as discussed in Item 6.

### *Separately Managed Accounts*

ARK's standard fee rates for management of separately managed accounts are normally between 0.40% and 0.60% of AUM. The fees charged to separately managed accounts are negotiable and typically will vary and can be reduced or can include breakpoints at ARK's sole discretion depending on a number of factors including, but not limited to: the type of client, the strategy, the size of the account, the total amount of client AUM managed or advised by ARK, whether the client wishes to impose particular limitations or restrictions on ARK's discretionary investment authority (e.g., restrictions on the types of securities that ARK acquires for the account), and other business considerations. ARK generally imposes investment minimums on separately managed accounts.

ARK's fee rates do not include fees that separately managed account clients normally pay to other third-party service providers, including custodial, administrative, securities lending agent, consultant, brokerage, and exchange fees. Additional information on brokerage fees are detailed in Item 12 Brokerage Practices.

Generally, ARK will not enter into contracts with "most favored nation" clauses. However, certain institutional separately managed account clients could seek to include such clauses in their investment advisory agreements. These clauses generally would require ARK to decrease the fees charged to the "most favored nation" client if ARK entered into an advisory agreement at a lower fee rate with another similarly situated institutional client. The applicability of a "most favored nation" clause depends on factors including the degree of similarity between institutional clients, including the AUM and the particular investment objective, strategy, guidelines, limitations, restrictions, reporting requirements, policies, and practices applicable to each client. ARK will not agree to "most favored nation" clauses in all circumstances where institutional clients are similarly situated. ARK does not consider the fee structure charged to a seeding client for a new strategy to

be applicable to most favored nation clauses, calculations or considerations.

### *Sub-Advised Funds*

The fees charged to any Sub-Advised Funds are negotiable and in some cases, ARK receives fees from Sub-Advised Funds that are different from those it receives for managing separately managed accounts or directly advised pooled investment vehicles. For funds that ARK sub-advises, the respective fund's adviser (not ARK) typically provides administrative, regulatory compliance, distribution, marketing and shareholder services, including any necessary disclosures to and communications with shareholders. ARK's fee will be a component of the total investment advisory fee paid by an investor in the specific sub-advised fund. Additional detail about the fees charged to an investor in any such Sub-Advised Fund will be available in (i) the sub-advised fund's prospectus and statement of additional information (if the fund is a U.S. registered investment company), (ii) in the offering document for an unregistered fund or (iii) similar disclosure documents for a non-U.S. sub-advised fund.

### *Pooled Investment Vehicles*

ARK's fees for providing management and advisory services to pooled investment vehicles, which can include performance-based fees, are described in the offering documents for such vehicles. Further information about ARK's ability to receive performance-based fees is described below in response to Item 6.

### Wrap and UMA Programs and Model Portfolios

#### *Wrap Fee and UMA Program Fees*

Typically, a managed account sponsor client pays the sponsor a single asset-based fee for brokerage, custody and advisory services and ARK is paid by the sponsor for ARK's services. For additional information about the fees that a wrap account client could incur, please review the sponsor's brochure for the wrap program. We negotiate the fee for ARK's services to wrap and UMA programs with the sponsor of the programs. The fees negotiated with the sponsor for ARK's advisory service to such programs vary and depend on such factors as the asset class, market capitalization of the strategy, and discretionary versus nondiscretionary services. ARK can individually negotiate its fees for dual contract managed accounts dependent on the sponsor program and does not have a standard fee schedule.

#### *Model Portfolios*

ARK enters into agreements with certain institutional clients to provide them with periodic investment instructions or model portfolios based on the AUM of the portfolio in question. ARK's standard fee rates for such services normally are between 0.25% and 0.50% of AUM. These fees are negotiable and will depend on a variety of factors, including customary rates of other similar advisers and advisory structures for providing substantially the same advisory services in the jurisdiction in question.

### **Payment of Fees**

The Management Fee paid by the ARK ETFs and Sub-Advised Funds to ARK is calculated daily and paid monthly in arrears based on the average daily net assets of the relevant fund.



Generally, ARK will bill separately managed account clients and firms receiving investment instructions or model portfolio services quarterly in arrears based on the average market value of assets in the account as of the last day of each calendar month during such quarter and in some cases with adjustments for contributions and withdrawals made during the quarter.

Certain separately managed account clients, however, have the option to pay their advisory fees up to one quarter in advance. If a client with a separately managed account or model services terminates its investment advisory agreement with ARK before the end of the period through which the advisory fee has been paid, the fee previously paid will be prorated based on the number of days elapsed in that period prior to the termination, and the unearned portion will be refunded by ARK to the client.

Pooled investment vehicles, Sub-Advised Funds and Other Registered Investment Companies (such as mutual funds and unit investment trusts) accrue asset-based management, advisory or sub-advisory fees daily and pay such fees to ARK monthly, quarterly or periodically in arrears (as described in the prospectus, offering document or other disclosure document) for the vehicle, fund or investment company. As further described in the offering documents, the Private Funds accrue asset-based management fees either monthly or quarterly, depending on the Private Fund. Similarly, ARK has the ability to deduct such fees either monthly or quarterly in arrears, as further described in the offering documents. Additionally, the Private Funds can receive a performance-based fee that is payable as defined in the offering documents and, depending on the Private Fund, be subject to the expiration of any applicable lock-up period. As such, both the asset-based management and performance-based fees are waived for ARK employees. Once the Private Fund starts accepting outside investors, the aforementioned fees will be passed onto outside investors but will continue being waived for ARK employees. Please see Item 6 Performance-Based Fees and Side-by-Side Management for additional information about ARK's performance-based fees.

In certain instances, ARK waives, reduces or calculates differently all or any portion of the management fees otherwise due to ARK with respect to any investment at its sole discretion. A client can select to pay fees directly to ARK or can instruct its custodian to pay fees from the client's account. In instances in which a client has authorized direct billing, the client's "qualified custodian" for purposes of the Custody Rule (as defined below) sends periodic statements, no less frequently than quarterly, showing all transactions to the account in accordance with Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940, as amended ("Advisers Act"). Clients can also request that billings be made directly to the client or a designated third party if authorized in writing by the client. If ARK receives fees inadvertently then it will handle them in compliance with the Custody Rule and the guidance thereunder.

### **Other Fees and Third-Party Fees**

In addition to the advisory fees paid to ARK, clients bear other expenses associated with their investments, including those owed to third parties. Clients pay brokerage commissions and any other transaction costs associated with the trading, maintenance, and operations of their accounts. Please see Item 12 Brokerage Practices for additional information about ARK's brokerage practices.

Separately managed account clients generally engage their own custodians and are responsible for fees and other charges associated with their custodians. Separately managed account clients have the option to engage their own administrator, securities lending agent, and consultants and are responsible for fees and other charges associated with the services provided by such entities.

If ARK invests a client's assets in a mutual fund, exchange-traded fund or other collective unitized vehicle, the client could incur expenses and fees as a shareholder of those such funds. These expenses include advisory/management fees, service and/or distribution fees, administrative expenses, and other fund operating expenses. Clients wishing to obtain more information about the fees and expenses that apply due to investing in mutual funds or exchange-traded funds should contact ARK. Clients can also obtain more information by reviewing the relevant prospectuses for the mutual funds, exchange-traded funds or collective unitized vehicles in which the clients' assets are invested.

As further detailed in the offering documents, the Private Funds (as well as, indirectly, any investors therein) will bear all expenses and obligations related to their operations, including, without limitation: organizational and offering expenses (including, without limitation, related travel, lodging and meal expenses); investment related fees and expenses, including, without limitation, trading related expenses and related software expenses; fees and expenses of any external consultants and administrators; regulatory and other reporting and filing expenses and costs; due diligence and investment-related travel expenses; government expenses; taxes; administrative expenses, legal expenses and external accounting expenses; research and market data expenses; valuation-related expenses; costs of reports and other communications to investors; custodial fees and related expenses; directors' and officers' liability insurance and other insurance; and indemnification expenses and other extraordinary expenses. However, ARK may choose to absorb any such expenses incurred on behalf of the Private Funds.

### **Outside Compensation for the Sale of Securities**

Neither ARK nor its supervised persons accept or receive compensation for the sale of securities or other investment products outside of their association with ARK.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

ARK offers performance fee arrangements, a method of compensating an investment adviser based on a share of the gains or appreciation of the client's assets under management. Generally, the fee structure will consist of a base fee and a performance fee. Performance fee rates generally will be negotiable. Generally, a client can negotiate the base fee rate, performance fee rate, and the index used to calculate the performance fee (if any). Performance fee arrangements are not necessarily available for all investment themes and must be approved by ARK on a case-by-case basis. Any performance fee that ARK charges is intended to comply with requirements of Rule 205-3 under Advisers Act. Subject to certain limitations (such as loss carryforward provisions), the Private Funds managing member and general partner are entitled to receive an allocation of net profits, as further described in the offering documents.

Performance fee arrangements provide an incentive for ARK to seek to maximize the investment return of accounts paying performance fees by making investments that are subject to greater risk or are more speculative than would be the case if ARK's compensation was not based upon the investment return of such accounts. Under such arrangements, ARK's compensation is contingent upon the return experienced by the client, which generally is computed based upon unrealized and realized appreciation of assets in the client's account. Accounts participating in a performance fee arrangement could pay ARK more compensation when compared to standard fee rates. Consequently, ARK would be incentivized to favor accounts that charge higher fees, including performance fee accounts, over accounts that do not pay such fees in allocating investments with higher return potential or to devote more resources toward such accounts' management. Similarly, ARK can be incentivized to allocate opportunities to clients whose accounts are new or ramping if



such accounts must meet a threshold prior to accruing fees. ARK seeks to mitigate the potential conflicts of interest that could arise from managing accounts that bear higher fees, including a performance fee, by monitoring and diligently enforcing its policies and procedures, including those related to investment allocation. Nonetheless, ARK does not consider higher fees in the allocation of investment opportunities.

ARK has a fiduciary duty to act in the best interests of its clients. As part of ARK's fiduciary duty, ARK owes a duty of loyalty to its clients. Nevertheless, because ARK has multiple clients, whose interests are not necessarily aligned, ARK's duty of loyalty to one client could conflict with its duty of loyalty to another, including with respect to allocating trades. From time to time, an investment opportunity that is appropriate for multiple client accounts will not be available in a sufficient quantity to satisfy all clients. To address conflicts of interest that arise in the investment and trade allocation process, including potential conflicts between competing client interests and between client interests and ARK's interests, ARK has adopted a trade aggregation and allocation policy intended to provide fair and equitable treatment of its clients over time, consistent with ARK's duty of loyalty. ARK and its personnel endeavor to ensure that, over time: each client is treated fairly as to the securities purchased or sold for its account; each client is treated fairly with respect to priority of execution of orders; and each client is treated fairly in the allocation of investment opportunities. In any particular allocation of an investment opportunity, it is likely that certain client accounts will receive a smaller allocation than other client accounts, or not receive an allocation at all. ARK's trade aggregation and allocation policy is intended to provide fair and equitable treatment over time. For additional information, see 'Aggregation and Allocation Policies' in Item 12 below.

Because of the diversity of investment goals, risk tolerances, tax situations, and differences in the timing of capital investments/contributions and redemptions/withdrawals, investment positions in client accounts inevitably will differ among client accounts. All allocations of securities among client accounts are intended to be consistent with each client account's investment goals and financial situation, and the foregoing principles. ARK intends to allocate investment opportunities among client accounts on a basis that is fair and equitable over time in light of the circumstances.

## **ITEM 7 TYPES OF CLIENTS**

### ARK ETFs

Currently, ARK is the investment manager and provides management and supervisory services to the ARK ETFs:

- ARK Genomic Revolution ETF (ARKG)
- ARK Autonomous Technology & Robotics ETF (ARKQ)
- ARK Innovation ETF (ARKK)
- ARK Next Generation Internet ETF (ARKW)
- ARK Fintech Innovation ETF (ARKF)
- ARK Space Exploration & Innovation ETF (ARKX)
- ARK Israel Innovative Technology ETF (IZRL)
- The 3D Printing ETF (PRNT)

The ARK ETFs are exchange-traded funds. Each ARK ETF is a non-diversified, open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act"), whose

shares are registered for sale under the Securities Act of 1933, as amended (“1933 Act”).

ARK’s services to each ARK ETF are supervised by the governing board of the ARK ETF Trust, currently composed of four Trustees. For independence purposes, three of the four Trustees are not “interested persons” of the ARK ETF Trust or ARK. Additional information about each ARK ETF, including the services that ARK provides and the ARK ETFs’ investment objectives, strategies and risks, can be found in the ARK ETFs’ prospectuses and statement of additional information, which are publicly available at [www.ark-funds.com](http://www.ark-funds.com), on the EDGAR Database on the SEC’s website ([www.sec.gov](http://www.sec.gov)) or by contacting the ARK ETFs’ principal underwriter, Foreside Fund Services, LLC at Three Canal Plaza, Suite 100, Portland, ME 04101 or by calling 855-406-1506.

ARK Quarterly ETF Webinar. ARK holds a Quarterly webinar following the completion of each calendar quarter to discuss the performance of the ARK ETFs. During the Quarterly webinar, performance, composition, outlook, and commentary will be provided for each of the ARK ETFs, followed by a live Question and Answer session. This information is not investment advice and will only discuss public information. Archived webinars and materials will be posted to the ARK website for at least a quarter and can be found at [www.ark-funds.com](http://www.ark-funds.com). All interested parties can obtain more information or sign up for the webinars at [www.ark-funds.com](http://www.ark-funds.com). Such webinars are scheduled for the third Thursday following a quarter end at 4:30PM EST unless otherwise announced.

#### Advisory Services to the ARK Venture Fund

ARK provides investment advisory services to the ARK Venture Fund (the “Venture Fund”), a Delaware statutory trust that is registered under the 1940 Act as a non-diversified, closed-end management investment company. ARK serves as the investment adviser to the Venture Fund, subject to the general oversight of the Venture Fund’s Board of Trustees, and is responsible for the day-to-day investment management of the fund. The Venture Fund is designed primarily for long-term investors and not as a trading vehicle. The Venture Fund is an “interval fund” pursuant to which it, subject to applicable law, will conduct quarterly repurchase offers for between 5% and 25% of the Fund’s outstanding shares of beneficial interest (“Shares”) at net asset value (“NAV”) generally.

Additional information regarding the services provided by ARK to the Venture Fund can be found in the ARK Venture Fund prospectus and statement of additional information, which are publicly available at [www.ark-ventures.com](http://www.ark-ventures.com), on the EDGAR Database on the SEC’s website ([www.sec.gov](http://www.sec.gov)) or writing to the Venture Fund at ARK Investment Management, LLC, 200 Central Ave., St. Petersburg, Florida 33701, or by calling toll-free 888-511-2347.

#### Separately Managed Accounts, Other Pooled Investment Vehicles and Clients

ARK currently provides investment advisory services to certain separately managed accounts for U.S. institutions (which can include retirement plans, employee pension benefit plans, tax-exempt entities, limited liability companies, public funds, foundations, endowments, insurance companies and their separately managed accounts, emerging manager programs, and financial institutions and their customers and clients), non-U.S. institutions, high net worth clients (which can include individual investors, trusts and smaller employee benefit plans), pooled investment vehicles (including the Private Funds), Sub-Advised Funds (as described more fully in Items 4 and 5), retail clients and Other Registered Investment Companies (such as mutual funds and unit investment trusts). The Private Funds generally impose investment minimums for investors, as described in more detail in the offering documents.

## Wrap and UMA Programs

ARK also offers investment advisory services to clients of wrap fee programs and provides nondiscretionary models to UMA programs sponsored by non-affiliates. ARK's nondiscretionary services consist of furnishing model portfolios in various equity strategies, which the UMA program sponsor could choose to employ in its management of accounts under one or more managed account programs. The sponsors of these programs could impose minimums or other requirements for opening or maintaining an account, as described in more detail in the programs governing documents. For more information about the strategies that ARK can offer to wrap and UMA programs, please see Item 8.

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

ARK offers the following multi-sector, theme-based investment strategies to clients by, under normal circumstances, generally investing primarily in U.S. and non-U.S. equity securities of companies that are relevant to each differentiated theme, however, the Cryptocurrency Theme invests exclusively in cryptocurrencies and the Venture Theme can invest in early- to late-stage private companies, including private funds. In selecting companies that ARK believes are relevant to a particular investment theme, it seeks to identify, using its own internal research and analysis, companies capitalizing on disruptive innovation or that are enabling the further development of a theme (or elements of a theme) in the markets in which they operate. ARK's internal research and analysis leverages insights from diverse sources, including social media, external research and the input of ARK's Theme Developers, to advance and refine its investment themes and identify and take advantage of trends that could have ramifications for individual companies or entire industries. Currently, ARK focuses on the following themes:

<b>Theme</b>	<b>Portfolio Manager</b>
FinTech Innovation	Catherine D. Wood
Genomic Revolution	Catherine D. Wood
Autonomous Technology & Robotics	Catherine D. Wood
Next Generation Internet	Catherine D. Wood
Disruptive Innovation	Catherine D. Wood
3D Printing	William Scherer
Israel Innovative Technology	William Scherer
Mobility-as-a-Service (MaaS)	Catherine D. Wood
Space Exploration	Catherine D. Wood
Cryptocurrency	Catherine D. Wood
Global Digital	Catherine D. Wood
'ARK 10'	Catherine D. Wood
Early Stage Disruptors	Catherine D. Wood
Positive Change	Catherine D. Wood
Innovation (UN SDG)	
Metaverse	Catherine D. Wood
Venture	Catherine D. Wood

ARK can manage accounts with investment themes that are different from those listed above. In such cases, each client account will be managed in accordance with the investment objective, guidelines, strategy or strategies, policies and restrictions established by each client and documented in a written investment advisory agreement (and related documents) with or on behalf of each client and ARK.

ARK's distinct investment process and methods of analysis are described more fully in response to Item 4. Please refer to Item 4 for more information. There is no guarantee that ARK's investment process and strategies will meet the investment objectives and goals of its clients. Additionally, the investment strategies and techniques ARK uses with respect to each investment theme might vary over time depending on various factors. ARK can give advice and take action for clients that can differ from advice given or the timing or nature of action taken for other clients with similar or different goals. ARK is not obligated to initiate transactions for clients in any security that its principals, affiliates or employees can purchase or sell for their own accounts or for other clients.

ARK manages both discretionary and non-discretionary accounts. However, even where ARK has discretion, clients can place reasonable limitations and restrictions on the management of their accounts. Certain clients can also direct ARK to sell, or to avoid selling, particular securities for the purpose of realizing a capital loss or avoiding a capital gain.

The investment objectives, principal investment strategies and material risks that are provided below are summaries and are presented for general information purposes in accordance with regulatory requirements. Consequently, these summaries are more fully explained and, in all instances, qualified and superseded by the descriptions of objectives, guidelines, strategies, limitations, restrictions, and risks, and any portfolio reports and other communications that are provided to each client in connection with the creation and maintenance of the client's account with ARK. If there is a conflict between the information provided herein and the governing documents of your account, the governing documents of your account control. Additional detail about each theme can be obtained at no charge by contacting ARK at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact).

Clients should bear in mind that ARK's investment themes can involve moderately high turnover ratios. Thus, the potential for high volatility and increased transaction costs (including increased brokerage and taxes) exists.

#### Wrap Fee and UMA Programs

ARK offers versions of its strategies offered to ARK's separate account and collectively managed vehicle clients to sponsors of wrap fee and UMA programs. ARK's management of the strategies that it offers to Wrap Fee (including dual contract) and UMA Programs is similar to ARK's management of the strategies that it offers to non-wrap clients described above, except for the differences noted in Item 4.

#### Risk of Loss

Investing in securities involves the risk of monetary loss, and clients investing their money with ARK should be prepared to bear that loss. ARK is not responsible for ensuring your account is diversified, and there is no guarantee that a diversified portfolio would not incur losses. None of the accounts, investment vehicles, funds or investment companies for which ARK provides portfolio management services is a deposit in any bank, nor are those accounts, investment vehicles, funds or investment companies insured or guaranteed by the Federal Deposit Insurance Corporation or any other U.S. governmental agency.

#### Tax Considerations

Tax efficiency is generally a consideration in the management of ARK accounts, unless tax management for

a particular account (or types of accounts) is not necessary or appropriate. Certain investments utilized can have unique and significant tax implications. Clients should consult with a tax professional prior to investing.

IRS Circular 230 Disclosure: ARK, its agents and employees are not in the business of providing tax, regulatory, accounting or legal advice. This Brochure and any tax-related statements provided by ARK are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

**A brief description of each multi-sector (with the exception of Cryptocurrency), disruptive innovation theme and the investment objective and general investment strategies typically used in managing client assets, including the methods of analysis, and the material risks associated with investing in each disruptive innovation theme are provided below.**

*Note: The narrative discussion of each investment theme includes a list of the material risks associated with an investment in that theme. A description of each of the named risks is included at the end of this Item 8, following the narrative discussion of all of the investment themes.*

## **Descriptions of Investment Themes**

### ***'ARK 10' Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The 'ARK 10' theme-based investment strategy is a selection of ten (10) equity securities that ARK believes present the best risk-reward profile from the Disruptive Innovation theme-based investment strategy. The ten equity securities are domestic and foreign equity securities of companies that are relevant to the investment theme of disruptive innovation. The Adviser believes companies relevant to this theme are Genomic Revolution Companies, Automation Transformation Companies, Energy Transformation Companies, Artificial Intelligence Companies, Next Generation Internet Companies and FinTech Innovation Companies. For accounts using this strategy, ARK will select investments that represent its highest-conviction investment ideas within the theme of disruptive innovation.

Material Risks: Communications Sector Risk; Consumer Discretionary Risk; Cryptocurrency Risk; Cryptocurrency Tax Risk; Emerging Markets Securities Risk; Equity Securities Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Future Expected Genomic Business Risk; Health Care Sector Risk; Industrials Sector Risk; Information Technology Sector Risk; Issuer Risk; Innovative Technology Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Next Generation Internet Companies Risk; Technology and Cyber Security Risks; Currency Risk; Disruptive Innovation Risk; and International Closed-Market Trading Risk.

### ***Cryptocurrency Theme***

Investment Objective: Growth by providing exposure to cryptocurrency.

Principal Investment Strategies: The Cryptocurrency theme-based investment strategy invests exclusively in cryptocurrencies considered to be relevant to cryptocurrency innovation. The theme invests primarily (and at times will invest exclusively) in bitcoin, the largest cryptocurrency by network value. In selecting cryptocurrencies, ARK uses its internal research and analysis to identify assets that hold the strongest assurances of money integrity and wealth preservation. ARK applies both a top-down and bottom-up approach to analyzing potential investments. The top-down analysis includes macro indicators and sentiment, global adoption, infrastructure development, and regulations. The bottom-up analysis includes fundamental

and quantitative metrics for individual cryptocurrencies.

**Material Risks:** Cryptocurrency Risk; Cryptocurrency Tax Risk; Valuation Risk; Counterparty Risk; Liquidity Risk; Leverage Risk; Market Risk; Concentration Risk; Futures, Options, Swaps, and Commodities Risk; Forward Trading Risk; Short Sales Risk; Hedging Transactions Risk; Foreign Securities Risk; and Technology and Cyber Security Risks.

### ***Early Stage Disruptors Theme***

**Investment Objective:** Long-term growth of capital.

**Principal Investment Strategies:** The Early Stage Disruptors theme-based investment strategy invests under normal circumstances, in companies that ARK believes are early stage disruptors. “Disruptors” are leading innovative companies that stimulate substantial growth or create new markets while also disrupting existing sectors. An innovative company is one that introduces a technologically enabled new product or service that ARK believes might change an industry by creating simplicity and accessibility, while possibly driving down costs. An early stage disruptor is either: 1) a newer public company that the sponsor believes is a disruptor company and has the potential for future long-term growth, or 2) a company that has introduced a technologically enabled product or service that is in the early stages of development and has the potential for future long-term growth. ARK invests in securities that it believes are early stage disruptors that are involved in at least one of the following five innovation platforms: DNA sequencing, robotics, energy storage, artificial intelligence, and blockchain technology. Each innovation platform has associated transformative technologies and while the client could be exposed to some of the associated transformative technologies, the client might not have exposure to all of them. The associated transformative technologies for the innovation platforms are:

- DNA sequencing – immunotherapy, gene editing and sequencing technology
- Robotics – adaptive robotics, 3D printing and reusable rockets
- Energy storage – autonomous mobility and battery systems
- Artificial intelligence – neural networks, mobile connected devices, cloud computing and internet of things
- Blockchain technology – blockchain and frictionless value transfer

**Material Risks:** Market Risk; Early Stage Disruptors Risk; Health Care Sector Risk; Financial Sector Risk; DNA Sequencing Companies Risk; Artificial Sequencing Companies Risk; Foreign Securities Risk; Emerging Markets Securities Risk; Small- and Medium-Capitalization Companies Risk; Technology and Cyber Security Risk; Operational and Service Provider Risk; Litigation and Legislation Risk; and Inflation Risk.

### ***Global Digital Theme***

**Investment Objective:** Mid and long-term growth of capital.

**Principal Investment Strategies:** The Global Digital theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment theme of Global Digital (“Global Digital Companies”). ARK believes companies relevant to this theme are focused on and expected to benefit from using digital technology to offer zero-contact, interactive services and/or products related to interactive services. These companies can include mail order houses which generate the entirety of their business through websites and which offer internet-based products and services, such as streaming media or cloud storage in addition to traditional physical goods. These companies can also include ones that develop, use or rely on innovative payment methodologies, big data, the internet of things, and social distribution, cybersecurity, cryptocurrencies, media and technologies that make financial services more efficient.

**Material Risks:** Communications Sector Risk; Cryptocurrency Risk; Cryptocurrency Tax Risk; Emerging Markets Securities Risk; Equity Securities Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Information Technology Sector Risk; Issuer Risk; Large-Capitalization Companies Risk;



Management Risk; Innovative Technology Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Next Generation Internet Companies Risk; Technology and Cyber Security Risks; Blockchain Investment Risk; Concentration Risk; Consumer Discretionary Risk; Currency Risk; Disruptive Innovation Risk; and International Closed-Market Trading Risk.

### ***FinTech Innovation Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The FinTech Innovation theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment theme of Financial Technology, or FinTech (“FinTech Innovation Companies”). ARK believes companies relevant to this theme are those that are focused on and expected to benefit from shifting the bases of the financial sector and economic transactions to technology infrastructure platforms, and technological intermediaries. These companies can also include ones that develop, use or rely on innovative payment platforms and methodologies, point of sale providers, transactional innovations, business analytics, fraud reduction, frictionless funding platforms, peer to peer lending, intermediary exchanges, asset allocation technology, blockchain technologies, cryptocurrency, mobile payments, and risk pricing and pooling aggregators.

Material Risks: Blockchain Investments Risk; Communications Sector Risk; Equity Securities Risk; Financial Sector Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Innovative Technology Risk; Next Generation Internet Companies Risk; Information Technology Sector Risk; International Closed-Market Trading Risk; Concentration Risk; Currency Risk; Disruptive Innovation Risk; Emerging Market Risk; and Technology and Cyber Security Risks.

### ***Genomic Revolution Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Genomic Revolution theme-based investment strategy invests primarily in domestic and foreign equity securities of companies across multiple sectors, including health care, information technology, materials, energy and consumer discretionary, that are relevant to the investment theme of the genomics revolution (“Genomic Revolution Companies”). ARK believes companies relevant to this theme are those that ARK believes are substantially focused on and are expected to substantially benefit from extending and enhancing the quality of human and other life by incorporating technological and scientific developments, improvements and advancements in genomics into their business, such as by offering new products or services that rely on genomic sequencing, analysis, synthesis or instrumentation. These companies can include ones that develop, produce, manufacture or significantly rely on or enable bionic devices, bio-inspired computing, bioinformatics, molecular medicine and agricultural biotechnology.

Material Risks: Equity Securities Risk; Foreign Securities Risk (including Depositary Receipts Risk); Future Expected Genomic Business Risk; Health Care Sector Risk; Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Innovative Technology Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Concentration Risk; Currency Risk; Disruptive Innovation Risk; Emerging Market Securities Risk; International Closed-Market Trading Risk; and Technology and Cyber Security Risks.

### ***Autonomous Technology & Robotics (Industrial Innovation) Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Autonomous Technology & Robotics theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment

theme of Autonomous Technology & Robotics (“Autonomous Technology & Robotics”). ARK believes companies relevant to this theme are those that ARK expects to focus on and benefit from the development of new products or services, technological improvements and advancements in scientific research related to, among other things, disruptive innovation in energy (“energy transformation companies”), automation and manufacturing (“automation transformation companies”), artificial intelligence (“artificial intelligence companies”), materials, and transportation. ARK considers a company to be an energy transformation company if it seeks to capitalize on innovations or evolutions in: (i) ways that energy is stored or used; (ii) the discovery, collection and/or implementation of new sources of energy, including unconventional sources of oil or natural gas and/or (iii) the production or development of new materials for use in commercial applications of energy production, use or storage. ARK considers a company to be an automation transformation company if it is focused on humans capitalizing on the productivity of machines, such as through the automation of functions, processes or activities previously performed by human labor or the use of robotics to perform other functions, activities or processes. ARK considers a company to be an artificial intelligence (“AI”) company if it: (i) designs, creates, integrates, or delivers robotics, autonomous technology, and/or AI in the form of products, software, or systems; (ii) develops the building block components for robotics, autonomous technology, or AI, such as advanced machinery, semiconductors and databases used for machine learning; (iii) provides its own value-added services on top of such building block components, but are not core to the company’s product or service offering; and/or (iv) develops computer systems that are able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.

Material Risks: Equity Securities Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Industrials Sector Risk; Information Technology Sector Risk; Innovative Technology Risk; Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; and Small- and Medium-Capitalization Companies Risk and Technology and Cyber Security Risks.

### ***Next Generation Internet Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Next Generation Internet theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment theme of Next Generation Internet (“Next Generation Internet Companies”). ARK believes companies relevant to this theme are focused on and expected to benefit from shifting the bases of technology infrastructure from hardware and software to the cloud, enabling mobile and local services, such as companies that rely on or benefit from the increased use of shared technology, infrastructure and services. These companies can include mail order houses which generate the entirety of their business through websites, and which offer internet-based products and services, such as streaming media or cloud storage in addition to traditional physical goods. These companies can also include ones that develop, use or rely on innovative payment methodologies, big data, the internet of things, and social distribution, cybersecurity, cryptocurrencies, media and technologies that make financial services more efficient.

Material Risks: Communications Sector Risk; Cryptocurrency Risk; Cryptocurrency Tax Risk; Emerging Markets Securities Risk; Equity Securities Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Information Technology Sector Risk; Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Innovative Technology Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Next Generation Internet Companies Risk; Technology and Cyber Security Risks; Blockchain Investment Risk; Concentration Risk; Consumer Discretionary Risk; Currency Risk; Disruptive Innovation Risk; and International Closed-Market Trading Risk.



### ***Disruptive Innovation Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Disruptive Innovation theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment theme of disruptive innovation. ARK believes companies relevant to this theme are Genomic Revolution Companies, Automation Transformation Companies, Energy Transformation Companies, Artificial Intelligence Companies, Next Generation Internet Companies and FinTech Innovation Companies. For accounts using this strategy, ARK will select investments that represent its highest-conviction investment ideas within the theme of disruptive innovation.

Material Risks: Communications Sector Risk; Consumer Discretionary Risk; Cryptocurrency Risk; Cryptocurrency Tax Risk; Emerging Markets Securities Risk; Equity Securities Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Future Expected Genomic Business Risk; Health Care Sector Risk; Industrials Sector Risk; Information Technology Sector Risk; Issuer Risk; Innovative Technology Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Next Generation Internet Companies Risk; Technology and Cyber Security Risks; Currency Risk; Disruptive Innovation Risk; and International Closed-Market Trading Risk.

### ***3D Printing Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The 3D Printing theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment theme of 3D Printing (“3D Printing Companies”). ARK believes companies relevant to this theme are focused on and expected to benefit from the next industrial revolution of “additive manufacturing” that is collapsing the time between design and production. As technology evolves and the costs continue to decline, the technology should provide greater design complexity, accuracy, efficiency, customization, and prototyping. Performance will closely correspond, before fees and expenses, to the Total 3-D Printing Index. The Total 3D-Printing Index attempts to track the price movements of equity securities of companies involved in the 3D Printing industry. The Index is composed of equity securities and depositary receipts of exchange listed companies from the U.S., non-U.S. developed markets and Taiwan that are engaged in 3D printing related businesses within the following business lines: (i) 3D printing hardware, (ii) computer aided design and 3D printing simulation software, (iii) 3D printing centers, (iv) scanning and measurement, and (v) 3D printing materials. The index is a total return index calculated in USD and rebalanced quarterly.

Material Risks: Currency Risk; Sampling Risk; Concentration Risk; Foreign Securities (including Depositary Receipts Risk); Equity Securities Risk; Index Tracking Risk; Information Technology Sector Risk; Innovative Technology Risk; International Closed-Market Trading Risk; Investable Universe of Companies Risk, Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Portfolio Turnover Risk; Replication Management Risk; Small- and Medium-Capitalization Companies Risk; Health Care Sector Risk; Industrials Sector Risk; and Technology and Cyber Security Risks.

### ***Positive Change Innovation (UN SDG) Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Positive Change Innovation (UN SDG) theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that ARK believes will have a positive impact on the environment, our society, and the world’s ability to create further innovations. ARK believes companies relevant to this theme are those that are focused on and expected to benefit from shifting

the bases of the financial sector and economic transactions to technology infrastructure platforms, and technological intermediaries. These companies can also include ones that develop, use or rely on innovative payment platforms and methodologies, point of sale providers, transactional innovations, business analytics, fraud reduction, frictionless funding platforms, peer to peer lending, intermediary exchanges, asset allocation technology, blockchain technologies, cryptocurrency, mobile payments, and risk pricing and pooling aggregators.

Material Risks: Blockchain Investments Risk; Communications Sector Risk; Equity Securities Risk; Financial Sector Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Future Expected Genomic Business Risk; Health Care Sector Risk; Issuer Risk; Large- Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Innovative Technology Risk; Next Generation Internet Companies Risk; Information Technology Sector Risk; International Closed-Market Trading Risk; Concentration Risk; Currency Risk; Disruptive Innovation Risk; Emerging Market Risk; UN SDG Risk; and Technology and Cyber Security Risks.

### ***Metaverse Theme***

Investment Objective: Mid and Long-term growth of capital.

Principal Investment Strategies: The Metaverse theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment theme of the Metaverse (“Metaverse Companies”). ARK has identified six core criteria for which to evaluate companies on: virtual worlds, entertainment and assets, next generation hardware, digital infrastructure, decentralized standards, and identity validators. These companies can include: video game publishers; AR/VR device manufacturers and their suppliers; Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS), and Software-as-a-Service (SaaS) companies; crypto enabling software products; public blockchains and cryptocurrency companies; social media platforms; and various service and content companies that ARK believes will populate the Metaverse.

Material Risks: Communications Sector Risk; Cryptocurrency Risk; Cryptocurrency Tax Risk; Emerging Markets Securities Risk; Equity Securities Risk; FinTech Risk; Foreign Securities Risk (including Depositary Receipts Risk); Information Technology Sector Risk; Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Innovative Technology Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Next Generation Internet Companies Risk; Technology and Cyber Security Risks; Blockchain Investment Risk; Concentration Risk; Consumer Discretionary Risk; Currency Risk; Disruptive Innovation Risk; and International Closed-Market Trading Risk.

### ***Venture Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Venture theme invests primarily in domestic and foreign equity securities of companies that are relevant to the theme of disruptive innovation. ARK believes companies relevant to this theme are Genomic Revolution Companies, Automation Transformation Companies, Energy Transformation Companies, Artificial Intelligence Companies, Next Generation Internet Companies and FinTech Innovation Companies. In selecting companies, ARK seeks to identify, using its own internal research and analysis, companies capitalizing on disruptive innovation or that are enabling the further development of a theme in the markets in which they operate. Investments will include early- to late-stage private companies and micro-, small-, medium- and large-capitalization public companies, including private funds.

Material Risks: Currency Risk; Foreign Securities Risk (including Depositary Receipts Risk); Equity Securities Risk; SPAC Risk; Repurchase Program Risk; Unlisted Shares Risk; Issuer Risk; Large-Capitalization

Companies Risk; Market Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Non-Diversified Risk; Disruptive Innovation Risk; Emerging Market Securities Risk; Communications Sector Risk; Consumer Discretionary Risk; Cryptocurrency Risk; Cryptocurrency Tax Risk; Future Expected Genomic Business Risk; Health Care Sector Risk; Information Technology Sector Risk; Next Generation Internet Companies Risk; New Fund Risk; Privately Held Company Risk; Investment Opportunity Risk; Valuation Risk; Liquidity Risk; Leverage Risk; Performance Risk; and “Follow-on” Investment Risk.

### ***Israel Innovative Technology Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Israel Innovative Technology theme-based investment strategy invests primarily in domestic and Israeli equity securities of companies that are relevant to the investment theme of disruptive innovation. Companies must be incorporated in and/or domiciled in Israel and, must publicly trade on an Israeli or United States exchange to be considered for the strategy. ARK believes companies relevant to this theme are Genomic Revolution Companies, Industrial Innovation Companies or Next Generation Internet Companies. For accounts using this strategy, ARK will seek to closely correspond to the ARK Israeli Innovation Index, selecting investments that represent investment ideas within the theme of innovative technology.

Material Risks: Currency Risk; Cyber Security Risk; Focused Investment Risk; International Closed-Market Trading Risk; Sampling Risk; Concentration Risk; Foreign Securities Risk (including Depository Receipts Risk); Equity Securities Risk; Future Expected Genomic Business Risk; Health Care Sector Risk; Index Tracking Risk; Industrials Sector Risk; Information Technology Sector Risk; Innovative Technology Risk; Investable Universe of Companies Risk; Israel Risk; Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Micro-Capitalization Companies Risk; Replication Management Risk; Small- and Medium-Capitalization Companies Risk; and Next Generation Internet Companies Risk.

### ***Mobility-as-a-Service (MaaS) Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Mobility-as-a-Service (MaaS) theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment theme of Mobility-as-a-Service (“MaaS Companies”). ARK believes companies relevant to this theme are focused on and expected to benefit from the shift to self-driving vehicles and other autonomous platforms (including passenger drones), decreasing the price and increasing the flexibility of personal mobility. Platform technology providers in ARK’s view could be more valuable than automakers and will comprise an ecosystem alongside manufacturers and lead generators. The shift from the internal combustion engine to electric vehicles will be a key component of the transition.

Material Risks: Equity Securities Risk; Foreign Securities Risk (including Depository Receipts Risk); Industrials Sector Risk; Information Technology Sector Risk; Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Innovative Technology Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Next Generation Internet Companies Risk; and International Closed-Market Risk.

### ***Space Exploration and Innovation Theme***

Investment Objective: Long-term growth of capital.

Principal Investment Strategies: The Space Exploration and Innovation theme-based investment strategy invests primarily in domestic and foreign equity securities of companies that are relevant to the investment

theme of Space Exploration and Innovation (“Space Exploration and Innovation Companies”). ARK believes companies relevant to this theme are those that are leading, enabling, or benefiting from technologically enabled products and/or services that occur beyond the surface of the Earth. ARK defines Innovation, including the investment theme of “disruptive innovation,” as the introduction of a technologically enabled new product or service that ARK expects to change the industry landscape.

ARK believes that Space Exploration and Innovation related companies can be grouped into four overarching categories, each of which contains relevant sub-elements. Orbital Aerospace Companies are companies that launch, make, service, or operate platforms in orbital space, including satellites and launch vehicles. Suborbital Aerospace Companies are companies that launch, make, service, or operate platforms in suborbital space, but do not reach a velocity needed to remain in orbit around a planet. Enabling Technologies Companies are companies that develop technologies used by Space Exploration and Innovation related companies for successful value-add aerospace operations. These operations include artificial intelligence, robotics, 3D printing, materials and energy storage. For example, 3D printing companies create value-add for space and aerospace exploration related companies by accelerating innovation thanks to low-costs and rapid prototyping, and by lowering the weight of low volume, highly complex parts. Aerospace Beneficiary Companies are companies whose operations stand to benefit from aerospace activities, including agriculture, internet access, global positioning system (GPS), construction, imaging, drones, air taxis and electric aviation vehicles. For example, agriculture companies utilize technologies advanced by space exploration and innovation, such as satellite imagery. Space exploration and Innovation is possible due to the convergence of a number of themes. Many of the companies ARK invests in only have an indirect and not a substantial involvement in the space industry. A Space Exploration and Innovation Theme related company might not currently derive any revenue, and there is no assurance that such company will derive any revenue from innovative technologies in the future.

Material Risks: Communications Sector Risk; Consumer Discretionary Risk; Equity Securities Risk; Foreign Securities Risk (including Depositary Receipts Risk); Industrials Sector Risk; Information Technology Sector Risk; International Closed-Market Trading Risk; Issuer Risk; Large-Capitalization Companies Risk; Management Risk; Market Risk; Market Trading Risk; Innovative Technology Risk; Micro-Capitalization Companies Risk; Small- and Medium-Capitalization Companies Risk; Next Generation Internet Companies Risk; and Technology and Cyber Security Risks.

## **Descriptions of Material Risks**

Artificial Intelligence Companies Risk. Artificial intelligence companies may have limited product lines, markets, financial resources or personnel and are subject to the risks of changes in business cycles, world economic growth, technological progress and government regulation. These companies face intense competition and potentially rapid product obsolescence, and many depend significantly on retaining and growing the consumer base of their respective products and services. Many of these companies are also reliant on the end-user demand of products and services in various industries that may in part utilize artificial intelligence. These companies are also heavily dependent on intellectual property rights, and challenges to or misappropriation of such rights could have a material adverse effect on such companies. Legal and regulatory changes, particularly related information privacy and data protection, may have an impact on a company’s products or services. Securities of artificial intelligence companies tend to be more volatile than securities of companies that rely less heavily on technology. Artificial intelligence companies typically engage in significant amounts of spending on research and development and there is no guarantee that the products or services produced by these companies will be successful. Rapid changes to the field could have a material adverse effect on a company’s operating results.

Blockchain Investments Risk. An investment in companies actively engaged in blockchain technology may be subject to the following risks:

- The technology is new and many of its uses may be untested. The mechanics of using distributed ledger technology to transact in other types of assets, such as securities or derivatives, is less clear. There is no assurance that widespread adoption will occur. A lack of expansion in the usage of blockchain technology could adversely affect an investment in an investment vehicle. A breach to one blockchain could cause investors, and the public generally, to lose trust in blockchain technology and increase reluctance to issue and invest in assets recorded on blockchains. Furthermore, blockchain technology is subject to a rapidly-evolving regulatory landscape in the United States and in other countries, which might include security, privacy or other regulatory concerns that could require changes to blockchain networks.
- Theft, loss or destruction. Transacting on a blockchain depends in part specifically on the use of cryptographic keys that are required to access a user's account (or "wallet"). The theft, loss or destruction of these keys impairs the value of ownership claims users have over the relevant assets being represented by the ledger (whether "smart contracts," securities, currency or other digital assets). The theft, loss or destruction of private or public keys needed to transact on a blockchain could also adversely affect a company's business or operations if it were dependent on the ledger.
- Competing platforms and technologies. The development and acceptance of competing platforms or technologies may cause consumers or investors to use an alternative to blockchains.
- Developmental risk: "Cyber security incidents. Cyber security incidents may compromise an issuer, its operations or its business. Cyber security incidents may also specifically target a user's transaction history, digital assets, or identity, thereby leading to privacy concerns. In addition, certain features of blockchain technology, such as decentralization, open-source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response.
- Developmental risk. Blockchain technology may never develop optimized transactional processes that lead to realized economic returns for any company in which an investment vehicle invests. Companies that are developing applications of block chain technology applications may not in fact do so or may not be able to capitalize on those blockchain technologies. The development of new or competing platforms may cause consumers and investors to use alternatives to blockchains.
- Intellectual property claims. A proliferation of recent startups attempting to apply blockchain technology in different contexts means the possibility of conflicting intellectual property claims could be a risk to an issuer, its operations or its business. This could also pose a risk to blockchain platforms that permit transactions in digital securities. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the viability of blockchain may adversely affect an investment in an investment vehicle.
- Lack of liquid markets, and possible manipulation of blockchain-based assets. Digital assets that are represented and trade on a blockchain may not necessarily benefit from viable trading markets. Stock exchanges have listing requirements and vet issuers, and perhaps users. These conditions may not necessarily be replicated on a blockchain, depending on the platform's controls and other policies. The more lenient a blockchain is about vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of digital assets. These factors may decrease liquidity or volume or increase volatility of digital securities or other assets trading on a blockchain.
- Lack of regulation. Digital commodities and their associated platforms are largely unregulated, and the regulatory environment is rapidly evolving. Because blockchain works by having every



transaction build on every other transaction, participants can self-police any corruption, which can mitigate the need to depend on the current level of legal or government safeguards to monitor and control the flow of business transactions. As a result, companies engaged in such blockchain activities may be exposed to adverse regulatory action, fraudulent activity or even failure.

- Third party product defects or vulnerabilities. Where blockchain systems are built using third party products, those products may contain technical defects or vulnerabilities beyond a company's control. Open-source technologies that are used to build a blockchain application may also introduce defects and vulnerabilities.
- Reliance on the Internet. Blockchain functionality relies on the Internet. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technologies and adversely affect investment vehicles. In addition, certain features of blockchain technology, such as decentralization, open-source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response.
- Line of business risk. Some of the companies in which investment vehicles may invest are engaged in other lines of business unrelated to blockchain and these lines of business could adversely affect their operating results. The operating results of these companies may fluctuate as a result of these additional risks and events in the other lines of business. In addition, a company's ability to engage in new activities may expose it to business risks with which it has less experience than it has with the business risks associated with its traditional businesses. Despite a company's possible success in activities linked to its use of blockchain, there can be no assurance that the other lines of business in which these companies are engaged will not have an adverse effect on a company's business or financial condition.

Communications Sector Risk. Communication companies are particularly vulnerable to the potential obsolescence of products and services due to technological advancement and the innovation of competitors. Companies in the communications sector may also be affected by other competitive pressures, such as pricing competition, as well as research and development costs, substantial capital requirements and government regulation. Additionally, fluctuating domestic and international demand, shifting demographics and often unpredictable changes in consumer tastes can drastically affect a communication company's profitability. While all companies may be susceptible to network security breaches, certain companies in the communications sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Consumer Discretionary Risk. The consumer discretionary sector may be affected by changes in domestic and international economies, exchange and interest rates, competition, consumers' disposable income and consumer preferences, social trends and marketing campaigns.

Concentration Risk. Accounts that concentrate their investments in a particular industry or group of industries will be subject to the risk that economic, political or other conditions that have a negative effect on one or more of the identified industries or sectors may negatively impact such accounts to a greater extent than if the assets were invested in a wider variety of industries or sectors.

Conflicts of Interest Risks: Various conflicts of interest are discussed throughout this document. Please review this information carefully and contact ARK if you have any questions.

Like other investment advisers, ARK is subject to various conflicts of interest in the ordinary course of its

business. ARK strives to identify potential risks, including conflicts of interest, which are inherent in ARK's business. When actual or potential conflicts of interest are identified, ARK seeks to address such conflicts through one or more of the following methods:

- elimination of the conflict;
- disclosure of the conflict; or
- management of the conflict through the adoption of appropriate policies and procedures.

ARK follows its policies on business ethics, insider trading, personal trading and information barriers. ARK has adopted a code of ethics (see Item 11), allocation policies and conflicts of interest policies, among others, and has adopted supervisory procedures to assess compliance with our policies. ARK cannot guarantee, however, that its policies and procedures will detect and prevent, or lead to the disclosure of, each and every situation in which a conflict may arise.

Counterparty Risk. An exchange or over-the-counter ("OTC") counterparty may not settle a transaction in accordance with its terms and conditions, which could result in a loss. There is a risk of trade failure and non-performance by exchanges and OTC counterparties, and such non-performance may result in unrealized trades.

Cryptocurrency Risk. Cryptocurrency (e.g., bitcoin and ether), often referred to as "virtual currency", "digital currency," or "digital assets," is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of ARK's Clients have exposure to bitcoin, a cryptocurrency, indirectly through an investment such as a trust, closed-end fund, ETF, other investment vehicles, or directly through investment in pooled investment vehicles managed by ARK. Clients invested in one of the Private Funds may also have exposure to cryptocurrencies other than bitcoin. Cryptocurrency operates without central authority or banks and is not backed by any government. Even indirectly, cryptocurrencies (i.e., bitcoin or ether) may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of ARK's Clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of bitcoin has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client's investments in GBTC decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Accordingly, the bitcoin held by GBTC is also susceptible to these risks. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The client's indirect investment in bitcoin remains subject to volatility experienced by the cryptocurrency exchanges and other cryptocurrency trading venues. Such volatility can adversely affect an investment. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, bitcoin and ether have a limited trading history, making it difficult for investors to evaluate investments in cryptocurrency. It is also possible that a cryptocurrency other than bitcoin, including cryptocurrencies in which one of the Private Funds has limited or no exposure to, could become materially popular and have a negative impact on the demand for and price of bitcoin. It is possible that another entity could manipulate the blockchain in a manner that is detrimental to the bitcoin network. Bitcoin transactions

are irreversible such that an improper transfer can only be undone by the receiver of the bitcoin agreeing to return the bitcoin to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Cryptocurrency Tax Risk. Many significant aspects of the U.S. federal income tax treatment of investments in bitcoin are uncertain and an investment in bitcoin may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by ARK's Clients in such a vehicle will generally be treated as a direct investment in bitcoin for tax purposes and "flow-through" to the underlying investors. The taxation of the Private Funds and their investors will depend on a number of factors, including the nature of any investments the Private Fund makes, the jurisdiction in which the income from such investments may be subject to tax, the jurisdiction in which the investor is subject to tax, and the applicable laws in any relevant jurisdiction. The offering documents for the Private Funds contain further details on the tax implications of investing in a Private Fund.

Currency Risk. Changes in currency exchange rates will affect the value of non-U.S. dollar denominated securities, the value of dividends and interest earned from such securities, gains and losses realized on the sale of such securities, and derivative transactions tied to such securities. A strong U.S. dollar relative to these other currencies will adversely affect the value of the client's portfolio.

Disruptive Innovation Risk. Companies that the Adviser believes are capitalizing on disruptive innovation and developing technologies to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. These companies may also be exposed to risks applicable to sectors other than the disruptive innovation theme for which they are chosen, and the securities issued by these companies may underperform the securities of other companies that are primarily focused on a particular theme. The Adviser may invest in a company that does not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that a company will derive any revenue from disruptive innovations or technologies in the future. A disruptive innovation or technology may constitute a small portion of a company's overall business. As a result, the success of a disruptive innovation or technology may not affect the value of the equity securities issued by the company.

Depository Receipts Risk. The investment accounts may invest in depository receipts, which involve similar risks to those associated with investments in foreign securities. Depository receipts are receipts listed on U.S. or foreign exchanges issued by banks or trust companies that entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares. Investments in depository receipts may be less liquid than the underlying shares in their primary trading market and, if not included in the Index, may negatively affect the accounts' ability to replicate the performance of the Index.

DNA Sequencing Companies Risk. DNA sequencing companies typically engage in significant amounts of spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful. In addition, the field of DNA sequencing science could face increasing regulatory scrutiny in the future and the process of obtaining regulatory approvals may be long and costly. Regulatory changes and requirements may limit the development of this technology and impede the growth of companies that develop and/or utilize this technology. DNA sequencing companies typically face



intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. There can be no assurance these companies will be able to successfully protect their intellectual property to prevent the misappropriation of their technology, or that competitors will not develop technology that is substantially similar or superior to such companies' technology. Demand for DNA sequencing products may fluctuate due to unexpected events, including but not limited to global health crises like pandemics which could strain health care systems and alter health care needs. Such demand fluctuations could positively or negatively impact DNA sequencing companies.

Early Stage Disruptors Risk. Companies that may be capitalizing on disruptive innovation and developing technologies to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. These companies may also be exposed to risks applicable to sectors other than the disruptive innovation platform for which they are chosen, and the securities issued by these companies may underperform the securities of other companies that are primarily focused on a particular innovation platform. A company may be held that does not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that a company will derive any revenue from disruptive innovations or technologies in the future. A disruptive innovation or technology may constitute a small portion of a company's overall business. As a result, the success of a disruptive innovation or technology may not affect the value of the equity securities issued by the company.

Emerging Market Securities Risk. Investment in securities of emerging market issuers may present risks that are greater than or different from those associated with foreign securities due to less developed and liquid markets and such factors as increased economic, political, regulatory, or other uncertainties. Certain emerging market countries may be subject to less stringent requirements regarding accounting, auditing, financial reporting and record keeping and therefore, material information related to an investment may not be available or reliable. In addition, the client is limited in its ability to exercise its legal rights or enforce a counterparty's legal obligations in certain jurisdictions outside of the United States, in particular, in emerging markets countries.

Equity Securities Risk. The value of the equity securities the client holds may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities the client holds participate or factors relating to specific companies in which the client invests. These can include stock movements, purchases or sales of securities by the client, government policies, litigation and changes in interest rates, inflation, the financial condition of the securities' issuer or perceptions of the issuer, or economic conditions in general or specific to the issuer. Equity securities may also be particularly sensitive to general movements in the stock market, and a decline in the broader market may affect the value of the client's equity investments.

European Economic Risk. The European financial markets have recently experienced volatility and adverse trends due to concerns about economic downturns in, or rising government debt levels of, several European countries as well as acts of war in the region. These events may spread to other countries in Europe and may affect the value and liquidity of certain investments. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. The United Kingdom has

withdrawn from the European Union, and one or more other countries may withdraw from the European Union and/or abandon the Euro, the common currency of the European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far reaching. In addition, Russia launched a large-scale invasion of Ukraine on February 24, 2022. The extent and duration of the military action, resulting sanctions and resulting future market disruptions in the region are impossible to predict, but could be significant and have a severe adverse effect on the region, including significant negative impacts on the economy.

Financial Sector Risk. The financial sector has a number of inherent risks. Regulatory risks significantly impact the highly regulated financial sector, because financial institutions face considerable costs for regulatory compliance and reporting. New financial regulations, domestically or abroad, will have a direct impact on this sector. In addition, the financial sector faces (i) credit risks, as sudden freezes or a loss of credit can disrupt daily operations, (ii) liquidity risk when assets or investments lose value and collateral cannot be sold in time to prevent a loss and (iii) recoupment risk if financial institutions lose their ability to recover loans and/or investments made regarding assets that have lost their value. Financial institutions also face (i) operational risks due to speculation as to how the markets will react in the future, (ii) security risks (including cybersecurity risks), and (iii) business continuity risks. Finally, some financial institutions face diversification risk because they may be very concentrated in their business focus or exposed to single business lines.

FinTech Risk. Companies that are developing financial technologies that seek to disrupt or displace established financial institutions generally face competition from much larger and more established firms. FinTech Innovation Companies may not be able to capitalize on their disruptive technologies if they face political and/or legal attacks from competitors, industry groups or local and national governments. Laws generally vary by country, creating some challenges to achieving scale. A FinTech company may not currently derive any revenue, and there is no assurance that a FinTech company will derive any revenue from innovative technologies in the future. Additionally, Fintech Innovation Companies may be adversely impacted by potential rapid product obsolescence, cybersecurity attacks, increased regulatory oversight and disruptions in the technology they depend on.

Focused Investment Risk: The Israel Innovative Technology (“IIT”) theme-based investment strategy assets will be focused on Israeli Companies. Therefore, the IIT strategy will be subject to the risk that certain economic, political or other conditions may have a negative effect on Israeli securities or companies. The IIT strategy assets may be concentrated in a particular industry or group of industries to the extent the Index concentrates in a particular industry or group of industries. The IIT strategy assets also may be focused in a particular sector or sectors to the extent the Index focuses in a certain sector or sectors. Based on the composition of the Index as of November 3, 2021, the health care sector and information technology sector represented a significant portion of the Index. Thus, adverse consequences to companies within the health care sector and information technology sector may negatively impact the IIT strategy to a greater extent than if the IIT strategy assets were invested in a wider variety of sectors.

“Follow-on” Investment Risk. Following an initial investment in a portfolio company, a Fund may make additional investments in that portfolio company as “follow-on” investments, in order to: (1) increase or maintain in whole or in part the Fund’s equity ownership percentage; (2) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or (3) attempt to preserve or enhance the value of the Fund’s investment.

A Fund may elect not to make follow-on investments or may otherwise lack sufficient funds to make those

investments or lack access to desired follow-on investment opportunities. Funds have the discretion to make any follow-on investments, subject to the availability of capital resources and of the investment opportunity. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and a Fund's initial investment, or may result in a missed opportunity for a Fund to increase its participation in a successful operation. Even if a Fund has sufficient capital to make a desired follow-on investment, a Fund may elect not to make a follow-on investment because it may not want to increase its concentration of risk, because it prefers other opportunities, or because a Fund is inhibited by compliance with the desire to qualify to maintain a Fund's status as a Registered Investment Company or lack access to the desired follow-on investment opportunity.

In addition, a Fund may be unable to complete follow-on investments in its portfolio companies that have conducted an initial public offering as a result of regulatory or financial restrictions.

Foreign Securities Risk. Investments in the securities of foreign issuers involve risks beyond those associated with investments in U.S. securities. These additional risks include greater market volatility, the availability of less reliable financial information, higher transactional costs, potentially higher custody costs, taxation by foreign governments, decreased market liquidity and political and economic instability.

Forward Trading Risk. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors.

Future Expected Genomic Business Risk. Certain Genomics Revolution Companies do not currently derive a substantial portion of their current revenues from genomic-focused businesses and there is no assurance that any company will do so in the future.

Futures, Options, Swaps, and Commodities Risk. The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements and other derivative instruments also may be highly volatile. The risks posed by such derivative instruments and techniques can be extremely complex and may involve significant leverage. The Private Funds may use several option strategies, including put and call options. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying security. If this occurred, the option could be exercised and the underlying security would then be sold to the Private Fund at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying security. If this occurred, the option could be exercised and the underlying security would then be sold by the Private Fund at a lower price than its current market value.

Geopolitical Risk. Geopolitical risks, including those arising from trade tension and/or the imposition of trade tariffs, terrorist activity or acts of civil or international hostility, are increasing. For instance, military conflict and escalating tensions globally could result in geopolitical instability and adversely affect the global economy or specific markets. Strategic competition between the US and China and resulting tensions have also contributed to uncertainty in the geopolitical and regulatory landscapes. Similarly, other events outside of the Trust's control, including natural disasters, climate change-related events, pandemics (such as the COVID-19 pandemic) or health crises may arise from time to time and be accompanied by governmental actions that may increase international tension. Any such events and responses, including regulatory developments, may cause significant volatility and declines in the global markets, disproportionate impacts to certain industries

or sectors, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets and may cause client assets to decline.

Health Care Sector Risk. The health care sector may be affected by government regulations and government health care programs, restrictions on government reimbursement for medical expenses, increases or decreases in the cost of medical products and services and product liability claims, among other factors. Many health care companies are (i) heavily dependent on patent protection and intellectual property rights and the expiration of a patent may adversely affect their profitability, (ii) subject to extensive litigation based on product liability and similar claims, and (iii) subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. Many health care products and services may be subject to regulatory approvals. The process of obtaining such approvals may be long and costly, and delays or failure to receive such approvals may negatively impact the business of such companies. Additional or more stringent laws and regulations enacted in the future could have a material adverse effect on such companies in the health care sector. In addition, issuers in the health care sector include issuers having their principal activities in the biotechnology industry, medical laboratories and research, drug laboratories and research and drug manufacturers, which have the additional risks described below.

Biotechnology Company Risk. A biotechnology company's valuation can often be based largely on the potential or actual performance of a limited number of products and can accordingly be greatly affected if one of its products proves unsafe, ineffective or unprofitable. Biotechnology companies are subject to regulation by, and the restrictions of, the Food and Drug Administration, the Environmental Protection Agency, state and local governments, and foreign regulatory authorities.

Pharmaceutical Company Risk. Companies in the pharmaceutical industry can be significantly affected by government approval of products and services, government regulation and reimbursement rates, product liability claims, patent expirations and protection and intense competition.

Hedging Transactions Risk. ARK may engage in short sales and utilize derivative instruments for investment purposes and to seek to hedge against fluctuations in the relative values of a Private Funds portfolio positions. While ARK may enter into such transactions to seek to reduce market currency exchange rate and interest rate risks, incorrect assessments of relationships between groupings of securities and unanticipated changes in currency or interest rates may result in lower overall performance for the Private Fund than if it had not engaged in any such hedging transaction. For a variety of reasons, ARK may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Private Fund from achieving the intended hedge or expose the Private Fund to risk of loss.

Index Tracking Risk. The returns of the index-based investment accounts may not match the return of the applicable index for a number of reasons. For example, the accounts will incur a number of operating expenses not applicable to the index and will incur costs associated with buying and selling securities, especially when rebalancing the securities holdings of the investment accounts to reflect changes in the composition of the relevant index. When the index is rebalanced and the account in turn rebalances its portfolio to attempt to increase the correlation between the account's portfolio and its index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne directly by the account and its shareholders. Apart from scheduled rebalances, the index provider or its agents may carry out additional ad hoc rebalances to the accounts' Index, which may increase the costs to and the tracking error risk of the

fund. The accounts also bear the costs and risks associated with buying and selling securities while such costs and risks are not factored into the return of the relevant index. In addition, the accounts may not be able to invest in certain securities included in the index or may not be able to invest in them in the exact proportions in which they are represented in the index, due to legal restrictions or limitations imposed by the governments of certain countries, potential adverse tax consequences or other regulatory reasons.

Industrials Sector Risk. The industrials sector includes companies engaged in the aerospace and defense industry, electrical engineering, machinery, and professional services. Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates.

Aerospace and Defense Company Risk. Companies in the aerospace and defense industry rely to a large extent on U.S. (and other) Government demand for their products and services and may be significantly affected by changes in government regulations and spending, as well as economic conditions and industry consolidation. The machinery industry can be significantly affected by general economic trends, including employment, economic growth, and interest rates; changes in consumer sentiment and spending; overall capital spending levels, which are influenced by an individual company's profitability and broader factors such as interest rates and foreign competition; commodity prices; technical obsolescence; labor relations legislation; government regulation and spending; import controls; and worldwide competition. Companies in this industry also can be adversely affected by liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

Professional Services Company Risk. Professional services companies may be materially impacted by economic conditions and related fluctuations in client demand for marketing, business, technology and other consulting services. Professional services companies' success depends in large part upon attracting and retaining key employees and a failure to do so could adversely affect a company's business. There are relatively few barriers to entry into the professional services market, and new competitors could readily seek to compete in one or more market segments, which could adversely affect a company's operating results through pricing pressure and loss of market share.

Inflation Risk. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money.

Information Technology Sector Risk. The information technology sector includes companies engaged in internet software and services, technology hardware and storage peripherals, electronic equipment instruments and components, and semiconductors and semiconductor equipment. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product rapid obsolescence due to technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Failure to introduce new products, develop and maintain a loyal customer base or achieve general market acceptance for their products could have a material adverse effect on a company's business. Companies in the information technology sector are heavily dependent on intellectual property and the loss of patent, copyright and trademark protections may adversely affect the profitability of these companies.



Internet Company Risk. Many Internet-related companies have incurred large losses since their inception and may continue to incur large losses in the hope of capturing market share and generating future revenues. Accordingly, many such companies expect to incur significant operating losses for the foreseeable future and may never be profitable. The markets in which many Internet companies compete face rapidly evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands. The failure of an Internet company to adapt to such changes could have a material adverse effect on the company's business. In addition, the widespread adoption of new Internet, networking, telecommunications technologies, or other technological changes could require substantial expenditures by an Internet company to modify or adapt its services or infrastructure, which could have a material adverse effect on an Internet company's business.

Semiconductor Company Risk. Competitive pressures may have a significant effect on the financial condition of semi-conductor companies and, as product cycles shorten and manufacturing capacity increases, these companies may become increasingly subject to aggressive pricing, which hampers profitability. Reduced demand for end-user products, under-utilization of manufacturing capacity, and other factors could adversely impact the operating results of companies in the semiconductor sector. Semiconductor companies typically face high capital costs and may be heavily dependent on intellectual property rights. The semiconductor sector is highly cyclical, which may cause the operating results of many semiconductor companies to vary significantly. The stock prices of companies in the semiconductor sector have been and likely will continue to be extremely volatile.

Software Industry Risk. The software industry can be significantly affected by intense competition, aggressive pricing, technological innovations, and product obsolescence. Companies in the software industry are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. These companies also face the risks that new services, equipment or technologies will not be accepted by consumers and businesses or will become rapidly obsolete. These factors can affect the profitability of these companies and, as a result, the value of their securities. Also, patent protection is integral to the success of many companies in this industry, and profitability can be affected materially by, among other things, the cost of obtaining (or failing to obtain) patent approvals, the cost of litigating patent infringement and the loss of patent protection for products (which significantly increases pricing pressures and can materially reduce profitability with respect to such products). In addition, many software companies have limited operating histories. Prices of these companies' securities historically have been more volatile than other securities, especially over the short term.

Innovative Technology Risk. Companies that are developing technologies to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. A company may not currently derive any revenue from innovative technologies, and there is no assurance that a company will derive any revenue from innovative technologies in the future. An innovative technology may constitute a small portion of a company's overall business. As a result, the success of an innovative technology may not affect the value of the equity securities issued by the company.

International Closed-Market Trading Risk. Certain securities may trade on an exchange that is closed when the securities exchange on which certain pooled investment vehicles' shares list and trade is open, there are likely to be deviations between the current pricing of an underlying security and stale security pricing (i.e., the last quote from its closed foreign market), likely resulting in premiums or discounts to NAV that may be greater than those experienced by pooled investment vehicles that do not invest in foreign securities.

Investable Universe of Companies Risk. The investable universe of companies in which two index-based thematic investment accounts may invest may be limited. If a company no longer meets the criteria for inclusion in the relevant index, the accounts may need to reduce or eliminate its holdings in that company. The reduction or elimination of the holdings in the company may have an adverse impact on the liquidity of the accounts' underlying portfolio holdings and on the performance of the accounts.

Investment Opportunity Risk. The marketplace for venture capital investing has become increasingly competitive. Participation by financial intermediaries have increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is high. There can be no assurances that an adequate number of attractive investment opportunities can be located. To the extent that there is competition for investments, returns may vary.

Israel Risk. Because the Israel Innovative Technology accounts invests in securities of Israeli companies, these accounts may be exposed to special risks and considerations. There may be less information concerning the securities of Israeli companies available to the public than the securities of U.S. companies. There is also potential difficulty in obtaining or enforcing a court judgment, and the unique characteristics of securities of Israeli companies and the Israel stock market may have a negative impact on such accounts. Any major hostilities involving Israel, including hostilities with neighboring countries, or the interruption or curtailment of trade between Israel and its present trading partners, could have a negative impact on these accounts. Shares and dividends of Israeli companies are often Israeli new shekel ("ILS") denominated. Changes in the relationship of the ILS to the dollar and other currencies could have a negative impact on these accounts. The government of Israel may change the way in which Israeli companies are taxed or may impose taxes on foreign investment. Such actions could have an adverse impact on the overall market for securities of Israeli companies and on these accounts.

Issuer Risk. The value of an issuer's equity securities may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or credit rating of an issuer of securities may cause the value of its securities to decline.

Large-Capitalization Companies Risk. Large-capitalization companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of a large-capitalization company may not rise as much as that of a company with a smaller market capitalization.

Leverage Risk. The Private Funds may employ leverage to gain exposure to a particular investment in accordance with the Private Fund's investment process. The use of leverage exposes each Private Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Private Fund not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, and (iii) losses on investments where

the investment fails to earn a return that equals or exceeds the Private Fund's cost of leverage related to such investments.

LIBOR Risk. Certain financial instruments are tied to the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value. Such investments may pay interest at floating rates based on LIBOR or may be subject to interest caps or floors based on LIBOR. Derivative instruments utilized may also reference LIBOR. The United Kingdom's Financial Conduct Authority announced a phase out of LIBOR such that after December 31, 2021, all sterling, euro, Swiss franc and Japanese yen LIBOR settings and the 1-week and 2-month U.S. dollar LIBOR settings will cease to be published or will no longer be representative, and after June 30, 2023, the overnight, 1-month, 3-month, 6-month and 12-month U.S. dollar LIBOR settings will cease to be published or will no longer be representative. Investments linked to other interbank offered rates, such as the Euro Overnight Index Average ("EONIA"), which may also cease to be published. Various financial industry groups have begun planning for the transition away from LIBOR, but there are challenges to converting certain securities and transactions to a new reference rate (e.g., the Secured Overnight Financing Rate ("SOFR"), which is intended to replace the U.S. dollar LIBOR). Neither the effect of the LIBOR transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets for, and reduce the effectiveness of new hedges placed against, instruments whose terms currently include LIBOR. While some existing LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, there may be significant uncertainty regarding the effectiveness of any such alternative methodologies to replicate LIBOR. Not all existing LIBOR-based instruments may have alternative rate-setting provisions and there remains uncertainty regarding the willingness and ability of issuers to add alternative rate-setting provisions in certain existing instruments. In addition, a liquid market for newly-issued instruments that use a reference rate other than LIBOR still may be developing. There may also be challenges for the Fund to enter into hedging transactions against such newly-issued instruments until a market for such hedging transactions develops. All of the above may adversely affect a client's performance or net asset value ("NAV").

Liquidity Risk. Certain assets may be difficult (or impossible) to sell at a desired time and at a desired price. As a result, ARK may need to hold certain assets longer than it would like and may forego other investment opportunities. Liquidity risk can be more pronounced during periods of market turmoil.

Litigation and Legislation Risk. From time to time, various legislative initiatives are proposed in the United States and abroad which may have a negative impact on certain issuers. In addition, litigation regarding any of the issuers of the securities or of the sectors represented by these issuers may raise potential bankruptcy concerns and may negatively impact the share prices of these securities. One cannot predict what impact any pending or threatened litigation or any bankruptcy concerns will have on the prices of the securities.

Management Risk. ARK applies investment strategies, techniques and analyses in making investment decisions, but there can be no guarantee that these actions will produce the intended results. The ability of ARK to successfully implement the investment strategy will significantly influence the performance of an account.

Market Risk. The value of the clients' assets will fluctuate as the markets in which the client invests fluctuate. The value of the client's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including inflation (or expectations for inflation), interest rates, global demand for particular products or resources, market instability, debt crises and downgrades, embargoes,



tariffs, sanctions and other trade barriers, regulatory events, other governmental trade or market control programs and related geopolitical events. In addition, the value of the client's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, exchange trading suspensions and closures (including exchanges of the client's underlying securities), infectious disease outbreaks or pandemics.

For example, the outbreak of COVID-19, a novel coronavirus disease, has negatively affected economies, markets and individual companies throughout the world, including those in which the client invests. The effects of this pandemic to public health and business and market conditions, including exchange trading suspensions and closures may continue to have a significant negative impact on the performance of the client's investments, increase the client's volatility, negatively impact the client's arbitrage and pricing mechanisms, exacerbate pre-existing political, social and economic risks to the client, and negatively impact broad segments of businesses and populations. The client's operations may be interrupted as a result, which may contribute to the negative impact on investment performance. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to the pandemic that affect the instruments in which the client invests, or the issuers of such instruments, in ways that could have a significant negative impact on the client's investment performance. The full impact of the COVID-19 pandemic, or other future epidemics or pandemics, is currently unknown.

Market Trading Risk. Market trading risks include losses from trading in secondary markets, the existence of extreme market volatility or potential lack of an active trading market.

Micro-Capitalization Companies Risk. Micro-capitalization companies are subject to substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses). Their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. The shares of micro-capitalization companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the future ability to sell these securities.

Model Risk. ARK uses quantitative tools in its research process to analyze securities and to help ARK make investment decisions. These models may be flawed or incomplete and may not produce the desired results.

Next Generation Internet Companies Risk. The risks described below apply, in particular, to investments in Next Generation Internet Companies.

Internet Information Provider Company Risk. Internet information provider companies provide Internet navigation services and reference guide information and publish, provide or present proprietary, advertising and/or third-party content. Such companies often derive a large portion of their revenues from advertising, and a reduction in spending by or loss of advertisers could seriously harm their business. This business is rapidly evolving and intensely competitive, and is subject to changing technologies, shifting user needs, and frequent introductions of new products and services. The research and development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation and investment, as well as the accurate anticipation of technology, market trends and consumer needs. The number of people who access the Internet is increasing dramatically and a failure to attract and retain a substantial number of such users to a company's products and services or to develop products and technologies that are more compatible with alternative devices could adversely affect operating results. Concerns regarding a

company's products, services or processes compromise the privacy of users or other privacy related matters, even if unfounded, could damage a company's reputation and adversely affect operating results.

Catalog and Mail Order House Company Risk. Catalog and mail order house companies may be exposed to significant inventory risks that may adversely affect operating results due to seasonality, new product launches, rapid changes in product cycles and pricing, defective merchandise, changes in consumer demand and consumer spending patterns, changes in consumer tastes with respect to products, and other factors. Demand for products can change significantly between the time inventory or components are ordered and the date of sale. The acquisition of certain types of inventory or components may require significant lead-time and prepayment and they may not be returnable. Failure to adequately predict customer demand or otherwise optimize and operate distribution centers could result in excess or insufficient inventory or distribution capacity, result in increased costs, impairment charges, or both. The business of catalog and mail order house companies can be highly seasonal and failure to stock or restock popular products in sufficient amounts during high demand periods could significantly affect revenue and future growth. Increased website traffic during peak periods could cause system interruptions which may reduce the volume of goods sold and the attractiveness of a company's products and services.

New Fund Risk. There can be no assurance that any new Fund will grow to or maintain an economically viable size, in which case the associated Board may determine to liquidate the Fund if it determines that liquidation is in the best interest of shareholders. Liquidation of the Fund can be initiated without shareholder approval. As a result, the timing of the Fund's liquidation may not be favorable.

Non-Diversified Risk. Non-diversified investment companies are subject to the risk that it will be more volatile than a diversified fund because the Fund may invest a relatively higher proportion of its assets in a relatively smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As a result, the gains and losses on a single investment may have a greater impact on the Fund's NAV and may make the Fund more volatile than more diversified funds.

Operational and Service Provider Risk. Operational factors include, but not limited to, human error, processing and communication errors, errors of the trust's service providers, counterparties or other third parties, failed or inadequate processes and technology or systems failures. Additionally, there is a risk that a service provider may not be willing or able to perform their duties as required or contemplated by their agreements. Although there may be ways to reduce these operational risks through controls and procedures, there is no way to completely protect against such risks.

Performance Risk. If a significant investment in one or more portfolio companies fails to perform as expected, a Fund's financial results could be more negatively affected, and the magnitude of the loss could be more significant, than if the Fund had made smaller investments in more companies. A Fund's financial results could be materially adversely affected if these portfolio companies, or any of the Fund's other significant portfolio companies, encounters financial difficulty and fails to repay their obligations or to perform as expected.

Portfolio Turnover Risk. Each investment account that is based on the performance of an index is adjusted to add or delete companies from such accounts once per quarter or upon certain extraordinary events or corporate actions affecting companies that are included in the relevant index. As companies leave and enter the relevant index, accounts based on the index will be adjusted to match the current composition of the

relevant index. This process may result in the realization of capital gains or losses and may have adverse tax consequences for you as an investor if such composition changes are not treated as tax free events. Because such accounts will buy and sell securities as needed to maintain their correlation to the relevant index, portfolio turnover in such accounts may be substantial.

Privately Held Company Risk. Investments in privately held companies involve a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Fund realizing any guarantees it may have obtained in connection with its investment;
- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- they typically depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse effect on the Fund's portfolio company and, in turn, on us;
- there is generally little public information about these companies. These companies and their financial information are not subject to the Securities Exchange Act of 1934 and other regulations that govern public companies. A Fund which holds such companies may be unable to uncover all material information about these companies, which may prevent the Fund from making a fully informed investment decision and cause the Fund to lose money on its investments;
- they generally have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- the Fund's executive officers, trustees and the Adviser may, in the ordinary course of business, be named as defendants in litigation arising from the Fund's investments in the Fund's portfolio companies;
- changes in laws and regulations, as well as their interpretations, may adversely affect their business, financial structure or prospects; and
- they may have difficulty accessing the capital markets to meet future capital needs.

Regulation Risk. Laws and regulations affecting ARK's business change from time to time. ARK cannot predict the effects, if any, of future legal and regulatory changes on ARK's business or the services ARK provides.

Replication Management Risk. Because an index-based investment account is not "actively" managed, unless a specific security is removed from the relevant index through quarterly rebalancing or otherwise because it no longer qualifies to be included in the index, such an account generally will not sell a security because the security's issuer is in financial trouble. Therefore, the account's performance could be lower than accounts that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline or a decline in the value of one or more issuers.

Repurchase Program Risk. Although the Venture Fund intends to implement a quarterly share repurchase program, there is no guarantee that an investor will be able to sell all of the Shares that the investor desires to sell. The Venture Fund should therefore be considered to offer limited liquidity.

Sampling Risk. The Fund's use of a representative sampling approach may result in it holding a smaller number of securities than are in the Index. As a result, an adverse development respecting an issuer of securities held by the Fund could result in a greater decline in NAV than would be the case if the Fund held all of the securities in the Index. Conversely, a positive development relating to an issuer of securities in the Index that is not held by the Fund could cause the Fund to underperform the Index. To the extent the assets in the Fund are smaller, these risks will be greater. A representative sampling strategy may increase the Fund's susceptibility to Index Tracking Risk.

Security Selection Risk. The value of an individual security and, similarly, the value of an investment in that security, may rise or fall. ARK's investment process for a particular strategy may favor specific securities, industries or sectors that underperform investments in other securities, industries, sectors, or the market generally.

Small- and Medium-Capitalization Companies Risk. Small- and medium-capitalization companies may be more volatile and more likely than large-capitalization companies to have narrower product lines, fewer financial resources, less management depth and experience and less competitive strength. Returns on investments in securities of small- and medium-capitalization companies could trail the returns on investments in securities of large-capitalization companies.

Special Purpose Acquisition Companies (SPACs) Risk. The Adviser may invest in stock of, warrants to purchase stock of, and other interests in SPACs or similar special purposes entities. A SPAC is a publicly traded company that raises investment capital for the purpose of acquiring or merging with an existing company. Investments in SPACs and similar entities are subject to a variety of risks beyond those associated with other equity securities. Because SPACs and similar entities do not have any operating history or ongoing business other than seeking acquisitions or mergers, the value of their securities is particularly dependent on the ability of the SPAC's management to identify a particular acquisition or merger target and complete a transaction. Until an acquisition or merger is completed, a SPAC generally invests its assets, less a portion retained to cover expenses, in U.S. government securities, money market securities and cash and does not typically pay dividends in respect of its common stock. As a result, it is possible that an investment in a SPAC may lose value.

Technology and Cyber Security Risks. Investment advisers, including ARK, must rely in part on digital and network technologies to conduct their businesses and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by ARK as well as those owned or managed by others, such as custodians, financial intermediaries, transfer agents, and other parties to which ARK or such other parties outsource the provision of services or business operations.

Like all businesses that use computerized data, ARK and such third parties and the systems ARK uses could be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers mounting an attack on computer systems. ARK and such third parties maintain an information technology security policy and certain technical and physical

safeguards intended to protect the confidentiality of our internal data and take other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, cybersecurity incidents could occur, and might in some circumstances result in unauthorized access to sensitive information about ARK or its clients. In addition, such incidents might cause damage to client accounts, data, systems or affect client services.

Furthermore, these systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond ARK's or others' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on ARK's business or ARK's clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

Next Generation Internet Companies Risk. The risks described below apply, in particular, to investments in Next Generation Internet Companies.

Internet Information Provider Company Risk. Internet information provider companies provide Internet navigation services and reference guide information and publish, provide or present proprietary, advertising and/or third-party content. Such companies often derive a large portion of their revenues from advertising, and a reduction in spending by or loss of advertisers could seriously harm their business. This business is rapidly evolving and intensely competitive, and is subject to changing technologies, shifting user needs, and frequent introductions of new products and services. The research and development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation and investment, as well as the accurate anticipation of technology, market trends and consumer needs. The number of people who access the Internet is increasing dramatically and a failure to attract and retain a substantial number of such users to a company's products and services or to develop products and technologies that are more compatible with alternative devices could adversely affect operating results. Concerns regarding a company's products, services or processes compromise the privacy of users or other privacy related matters, even if unfounded, could damage a company's reputation and adversely affect operating results.

Catalog and Mail Order House Company Risk. Catalog and mail order house companies may be exposed to significant inventory risks that may adversely affect operating results due to seasonality, new product launches, rapid changes in product cycles and pricing, defective merchandise, changes in consumer demand and consumer spending patterns, changes in consumer tastes with respect to products, and other factors. Demand for products can change significantly between the time inventory or components are ordered and the date of sale. The acquisition of certain types of inventory or components may require significant lead-time and prepayment and they may not be returnable. Failure to adequately predict customer demand or otherwise optimize and operate distribution centers could result in excess or insufficient inventory or distribution capacity, result in increased costs, impairment charges, or both. The business of catalog and mail order house companies can be highly seasonal and failure to stock or restock popular products in sufficient amounts during high demand periods could significantly affect revenue and future growth. Increased website traffic during peak periods could cause system interruptions which may reduce the volume of goods sold and the attractiveness of a company's products and services.

United Nations Sustainable Development Goals ("UN SDGs") Risk. In evaluating whether a security or issuer meets the UN SDG criteria, ARK may depend upon information and data from third parties, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that ARK may incorrectly assess a security or issuer. There is also a risk that ARK may not apply the relevant UN SDG criteria correctly. ARK makes no representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such assessment. The evaluation of the ability of a company and/or its technology to positively impact the UN SDGs is to a degree subjective, may involve lack of standardized taxonomy, and there is no assurance that all investments will reflect the beliefs or values of any particular investor or result in more favorable performance.

Unlisted Shares Risk. Unlike many closed-end funds, the Fund's Shares will not be listed on any securities exchange.

Valuation Risk. Fair value pricing involves subjective judgments, and it is possible that a fair value determination for a cryptocurrency is materially different than the value that could be realized upon the sale of the cryptocurrency.

## **ITEM 9 DISCIPLINARY INFORMATION**

Neither ARK, nor any of its management persons, have been the subject of any material legal or disciplinary action.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **ARK Personnel Are Registered Representatives of a Broker Dealer**

Certain ARK management persons are registered representatives of a broker-dealer.

### **Relationships with Affiliates**

ARK has affiliates that serve as the managing member or general partner to its Private Funds, and in that role can receive performance-based fees, which presents conflicts of interest with clients. ARK is the sole owner of the ARK Cryptocurrency Fund MM LLC, the entity which serves as the managing member of the ARK Cryptocurrency U.S. Fund LLC and the Crypto Revolutions U.S. Fund LLC, two of ARK's Private Funds. The Private Funds managing member and general partner are entitled to receive an allocation of net profits, as further described in the offering documents. These conflicts related to performance-based fees and how they are addressed are discussed in more detail in Item 6 Performance-Based Fees and Side-By-Side Management.

### **ARK Permits Certain Clients to Invest in Affiliated Products**

ARK permits its ETFs to invest in the securities of affiliated ETFs managed by ARK. To eliminate duplicate management fees, ARK waives the management fees of the underlying affiliated ETFs.



## **Other**

### ARK Manages Multiple Clients Accounts

As described above, ARK is the investment adviser and provides management and supervisory services to the ARK ETFs. ARK's services for the ARK ETFs, Sub-Advised Funds and other clients can create conflicts of interest in certain circumstances. ARK faces conflicts related to side-by-side management of accounts invested in a similar strategy, which might have different fee schedules, as discussed in Item 6 Performance-Based Fees and Side-By-Side Management.

### Relationships with Third Parties

ARK has certain relationships with third-parties that are material to ARK's advisory business, and can create conflicts of interest. ARK will, from time to time, have minority interests in certain third-party investment advisers and have one or more employees sit on the boards of such investment advisers. An employee would preclear such activity in accordance with ARK's Compliance Manual. ARK makes full disclosure to clients with respect to such interests prior to investing their assets in any investment products managed by these third-party investment advisers and does not adjust its clients' management fee with respect to these investments.

### Restrictions on Client Trading Activities Resulting from the Acquisition of Material Non-Public Information

ARK employees regularly acquire confidential information and ARK can enter into confidentiality and/or "standstill agreements" when assessing investment opportunities. By reason of its various activities, ARK and its employees can have access to material nonpublic information ("MNPI") about an issuer. For example, ARK employees could acquire MNPI in the ordinary course of their investment activities, which acquisition would result in restrictions on a client's ability to buy or sell a portfolio investment at a time when it might otherwise have done so, potentially for an extended period. Similarly, ARK could decline information that would be considered MNPI to the detriment of a client.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

### **Code of Ethics and Personal Trading**

ARK has adopted a Code of Ethics in compliance with Rule 204A-1 under the Advisers Act that establishes personal trading guidelines and restrictions applicable to ARK employees, certain ARK consultants, and ARK employee or consultant family members living in the same household as the employee or consultant (including a person's spouse and minor children) ("Access Persons"). These guidelines and restrictions must be followed for all transactions in all accounts in which Access Persons have a beneficial interest. Access Persons are subject to pre-clearance requirements before buying or selling securities, other than certain exempt securities, as further detailed below. Access Persons must submit required initial, quarterly, and annual reports of securities (or furnish brokerage statements) and must certify, at least annually, receipt of and compliance with the Code of Ethics.

For a copy of ARK's Code of Ethics please call 1-727-810-8160 or write to: ARK Investment Management LLC, Attn: Chief Compliance Officer, 200 Central Avenue, Suite 220, St. Petersburg, FL 33701.

Note that ARK's (and its affiliates) practices with respect to recommending or investing in the same securities, including at the same time, are addressed below.

### Personal Trading Rules

ARK's Access Persons are subject to pre-clearance requirements before buying or selling securities, other than exempt securities (as defined by ARK's Code of Ethics), for any account in which they have any direct or indirect beneficial ownership. Additionally, ARK implemented a more stringent policy for Access Persons who fall within the Investment Team whereby such Access Persons are prohibited from buying securities, other than exempt securities. The Investment Team is permitted to hold or maintain their securities positions that were in their respective portfolios prior to this Code of Ethics mandate. However, the Investment Team is not able to add to their positions and will need to receive pre-clearance from Compliance prior to selling any securities they held, other than exempt securities.

Subject to Compliance pre-clearance, the remainder of ARK's Access Persons are permitted to buy securities, unless such security is held in an Advisory Client's Portfolio. As a matter of general policy, no Access Person can buy a security that is held in an Advisory Client's portfolio. Access Persons can continue to hold or maintain any such security positions that were in their respective portfolios prior to this Code of Ethics mandate. Access Persons, however, are not permitted to add to their positions and will need to receive pre-clearance from Compliance prior to selling any securities held in an Advisory Client's portfolio.

Generally, Compliance will not grant pre-clearance on the sale of securities: (i) on a day when the security is being considered for purchase or sale by an Advisory Client; (ii) if such security is not included in an Advisory Client's portfolio but notice has been given, or Compliance is aware, that such security will be added to an Advisory Client's portfolio (or until such time as ARK completes such transactions for the applicable Advisory Client's portfolio on the day of the PTR); (iii) if the security is included on the Adviser's Restricted List; or (iv) if Compliance reasonably determines that it is in the best interest of the Adviser or its Clients. In determining whether to approve any trade, Compliance will consider, for example, whether the Access Person knew, or should have known, that the security was being considered for purchase or sale by ARK for an Advisory Client on the day of the trade request or that, as a result of a transaction, the Access Person would hold or sell more than 5% of the outstanding securities of the issuer in question.

Access Persons may not purchase and sell, or sell and purchase, within any period of 30 calendar days, a security, other than an exempt security.

The Investment Team is prohibited from purchasing a put option or selling a call option, selling short or otherwise taking a short position, either directly or through any beneficial ownership, in any security. The remainder of the Access Persons are only permitted to partake in the aforementioned transactions if such transaction does not involve an issuer that is held in an Advisory Client's portfolio and is pre-cleared and approved by Compliance. Short positions taken against any of the ARK's Funds or associated pooled vehicles are strictly prohibited.

### **Recommendations Involving Material Financial Interests**

ARK can effect (but not execute) transactions between client accounts. ARK will not effect a transaction between client accounts if one of the clients is an Employee Retirement Income Security Act of 1974

("ERISA") client. ARK can effect transactions between client accounts that are not registered investment companies subject to certain restrictions, including the requirements that ARK receives no compensation for effecting the transaction and the transaction is disclosed to the clients.

ARK can effect transactions between clients that are registered investment companies subject to certain restrictions, including the requirement that the transaction is effected in compliance with Rule 17a-7 under the 1940 Act and any applicable procedures adopted by the registered investment company.

## **ITEM 12 BROKERAGE PRACTICES**

### **Selection of Broker-Dealers to Execute Transactions in Client Accounts**

#### *General Practices*

Clients can give ARK the authority to determine which broker-dealer will execute transactions. Other clients retain discretion to select which brokerage firms should execute their transactions. Some clients that designate ARK as the investment manager for their account nonetheless have the ability to place their own trades for their account. Some of ARK's clients have the ability to select a broker-dealer to act as custodian for the client's assets and direct ARK to execute transactions through that broker-dealer. It will not be ARK's practice to negotiate commission rates with those broker-dealers. Where a client chooses to execute a trade or directs the trade to a particular brokerage firm, ARK is not responsible for the execution or the selection of broker-dealers for such trades.

For accounts for which ARK has brokerage discretion, ARK's general policy is to use its best efforts to seek to obtain best execution for all client portfolio transactions, taking into account a variety of factors such as:

- the security price;
- listed bids and asks;
- the opportunity for price improvement;
- liquidity;
- geographic location;
- access to new issues;
- the transaction costs and commission rates;
- the size and difficulty of the order and timing of the transaction;
- the experience of the broker-dealer;
- the reliability, integrity, creditworthiness and financial condition of the broker-dealer;
- the general execution, clearance, settlement, responsiveness and operational capabilities of the broker-dealer;
- the confidentiality provided by the broker-dealer; and
- the number of trading errors committed by the broker-dealer.

In seeking best execution, an adviser need not select the broker with the lowest available commission rate where it believes that a broker or dealer charging a higher commission rate would offer better overall execution, including for example greater reliability or better price or execution. Transactions placed on behalf of ARK clients, and recommendations on behalf of nondiscretionary clients and model portfolios, could be a large portion of a security's daily trading volume, and securities can therefore be subject to price movements,

which could result in certain ARK clients that did not participate in an aggregate trade order as well as nondiscretionary clients or model portfolios receiving prices that are less favorable than the prices obtained by those ARK clients that participated in the aggregate order. Based upon the particular facts and circumstances of the order, ARK will determine whether and how best to execute such transaction to seek to achieve best execution. Additionally, ARK, in implementing an investment decision, could determine in light of the facts and circumstances that the value of completing transactions expeditiously outweighs potential market impact of being a large percentage of daily trading volume. Further, while ARK believes it takes reasonable steps to minimize the market impact caused by transactions for accounts over which ARK has investment or trading authority, ARK cannot control the market impact of such transactions to the same extent for accounts over which ARK does not have trading authority, including nondiscretionary clients and model trades as discussed further below. While ARK seeks best execution for discretionary brokerage transactions, ARK cannot assure that best execution will be achieved for each client transaction.

ARK will maintain a list of approved broker-dealers it will use to place client trades for execution. ARK's Best Execution Committee will periodically reevaluate these broker-dealers to confirm that they meet ARK's criteria and standards, including that they provide trade execution services that ARK views as satisfactory. Upon reevaluation, ARK's Best Execution Committee has the ability to add or remove broker-dealers to or from the list of approved broker-dealers.

ARK pays, or is deemed to pay, commission rates higher than if ARK had paid for execution services only and ARK can "pay up" to receive research or brokerage services that ARK views as beneficial to client accounts. These services benefit ARK because ARK does not need to produce or pay for such research services, and as a result, the receipt of research in exchange for soft dollars creates a conflict of interest. ARK is incentivized to select or recommend a broker-dealer based on ARK's interest in receiving research services, among the other factors that ARK considers, and this can conflict with the client's interest to receive best execution. ARK will not agree to direct a specific amount of brokerage transactions or commissions to any broker-dealer in return for soft dollar or other benefits.

Research or brokerage services ARK receives for conducting transactions in a client account can benefit other accounts and it is possible that a particular account will not benefit from services obtained related to transactions conducted through that account. ARK will not attempt to track or allocate the benefits of research or brokerage services it receives to the commissions associated with a particular account or group of accounts. Additionally, certain clients could bear more of the cost of soft dollar arrangements than other clients. Soft dollar arrangements are discussed in more detail below.

#### *Research Services Received from Broker-Dealers*

ARK receives a wide range of research services from broker-dealers. These services can include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. ARK will receive research services primarily as written reports, computer generated services, and personal meetings with security analysts. Research services can also take the form of meetings arranged with corporate and industry spokespersons, economists, academicians and government representatives.

The research services provided by broker-dealers can be used to supplement ARK's own proprietary ARK Open Research Ecosystem (as described in Item 4), so ARK has an incentive to seek such research as

discussed above. Such research services will be subject to ARK's intense internal analysis and review before becoming part of the ARK Open Research Ecosystem. ARK pays cash for certain external research services.

#### *Soft Dollar Arrangements with Brokers Who Furnish Research Services*

ARK has a brokerage allocation policy designed to comply with Section 28(e) of the Securities Exchange Act of 1934, as amended ("1934 Act"). This section permits an investment adviser to pay a broker-dealer that "provides brokerage and research services" to the adviser commission rates in excess of the amount another broker-dealer would charge for effecting the same transaction, if the adviser determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided, viewed in terms of either that particular transaction or the adviser's overall responsibilities to that client or other client accounts and over which the adviser exercises investment discretion.

ARK enters into arrangements whereby it obtains research products and services, in addition to brokerage services, from broker-dealers in exchange for directing client trades to such brokers. These arrangements are known as "soft dollar" arrangements and are common in the financial services industry. For example, ARK can use commissions from transactions for client accounts to obtain quotation equipment and tools that can assist ARK in trade execution or provide ARK with important market related news and developments. The research products and services can either be proprietary (created and provided by the broker-dealer) or third party (created by a third party but provided to ARK by the broker) and include:

- economic research;
- industry, security and company research;
- statistical information;
- accounting and tax law interpretations;
- political/legal developments;
- pricing and appraisal research;
- industry and company computer screening ability;
- technical research;
- commodity research;
- portfolio management research;
- stock and bond quote services; and/or
- financial news and other publications.

In accordance with Section 28(e), ARK, in collaboration with Virtu Financial Inc. and its soft-dollar review software platform, will periodically review and seek to ensure that all soft dollar arrangements pay for bona fide research services. In some cases, the products or services ARK receives will not be used exclusively for research purposes. For example, certain systems and products that can be used by ARK provide "mixed use" functions, such as accounting and record keeping, in addition to marketing and investment research. ARK's ability to determine mixed use allocations poses a conflict of interest. In those cases, ARK will not pay for the non-research portion of any "mixed use" service through any soft dollar arrangement. Instead, ARK will pay hard dollars for the non-research function.

#### *Evaluating Reasonableness of Brokerage Commissions*

ARK's Best Execution Committee will periodically evaluate the reasonableness of commission rates in the marketplace for transactions executed on its clients' behalf. ARK will consider:

- the rates quoted by brokers and dealers;
- the size of a particular transaction, in terms of the number of shares, dollar amount, and number of clients involved; and
- the complexity of a particular transaction relative to execution and settlement.

Generally, it is not ARK's practice to negotiate or monitor commission rates where a client has directed ARK to use a certain broker-dealer.

### **Directed Brokerage and Commission Recapture**

Clients can direct ARK in writing to execute transactions with one or more specific broker-dealers at commission rate or rates agreed upon by the client and the broker-dealer(s). A client can direct ARK to use a particular broker-dealer for a variety of reasons, including:

- the client's relationship with the broker-dealer;
- the client's evaluation of the broker-dealer and the quality of its trade execution;
- the discounts or other benefits the client receives from the broker-dealer; and/or
- the existence of a commission recapture program where the client receives the benefit of rebates or other benefits separately negotiated between the client and the broker-dealer.

Clients subject to ERISA, who wish to participate in directed brokerage, must provide ARK with written instructions directing ARK to execute transactions with one or more specific brokers. The written notice must state that the services the broker(s) provide and the commission rate or amount is consistent with ERISA provisions and in the client's best interest. If a client account is subject to ERISA and the client directs ARK to place all transactions for the client's account with a particular broker-dealer, the following apply:

- the client retains and accepts sole responsibility for determining whether the directed brokerage arrangement is reasonable in relation to the benefits the plan receives;
- the client acknowledges and represents to ARK that the directed brokerage arrangement is used solely and exclusively for the plan's and the participants' benefit; and
- the client acknowledges and represents to ARK that the directed brokerage arrangement is permissible under the plan's governing documents.

In respect of any client that directs ARK to use a particular broker-dealer, ARK cannot negotiate commission levels or obtain discounts. It is possible that clients who direct ARK to use a particular broker-dealer will not receive commission rates or execution of transactions as favorable as clients who give ARK full discretion to select the broker-dealer for portfolio transactions. Clients who direct ARK to use a particular broker-dealer could also incur other transaction costs or greater spreads or, receive less favorable net prices on transactions for their accounts. Moreover, when a client directs ARK to use a particular broker-dealer, ARK will not be able to aggregate the client's securities transactions with those of other clients, and therefore would not be able to obtain the potential efficiencies from trade aggregation, unless the directed broker-dealer accepts "step-out" transactions.

Some clients can direct ARK to use a particular broker-dealer as long as that broker-dealer is reasonably able to provide the best price and execution for the portfolio's transactions. ARK uses its best efforts to



accommodate client requests. This type of program where the client can have a consulting or other relationship with the designated broker-dealer is sometimes referred to as “commission recapture” program.

## **Aggregation and Allocation Policies**

### Aggregation

Where ARK has investment and brokerage discretion, it has a duty to execute transactions in the best interest of its clients. ARK’s policy is designed to allocate trades to clients fairly and equitably over time based on the circumstances. ARK determines whether the purchase or sale of a particular security is appropriate for more than one account and whether it can aggregate client orders into one order (“Aggregate Orders”) for execution purposes. Regarding Aggregate Orders, generally ARK will Aggregate Orders when it is buying the same security in more than one client account on the same day. Aggregate Orders can avoid the adverse effect on a security’s price when simultaneous separate and competing orders are placed. Aggregate Orders can also reduce the trading and brokerage costs paid, and to the extent that the Adviser is not able or permitted to aggregate such orders (as discussed further below), the costs to the client can increase. The timing of implementing and communicating securities recommendations could result in the price of a particular client order, or set of client orders, being adversely impacted. When aggregating orders and subsequently allocating Aggregate Orders (purchases and sales) to individual accounts, it is ARK’s policy to treat all clients fairly and achieve an equitable distribution of Aggregate Orders over time, considering, among other things, the investment objectives, restrictions and other circumstances specific to each client. Generally, ARK allocates aggregated trades *pro rata* based on each participating client’s share of the aggregate transaction as indicated in the initial preallocation. ARK will receive no additional compensation or remuneration as a result of the Aggregate Orders.

Aggregate Orders can also be impractical for various reasons, including specific trade directions received from the Portfolio Manager (e.g., a limit order); in cases where the liquidity of the security could impact the execution of an order; when the order involves a different trading strategy or is part of a large basket, program or index trade; or if we otherwise determine that aggregation is not consistent with seeking best execution. In such cases, clients might not receive as favorable executions as they might otherwise receive from Aggregate Orders, and might pay more for such trades.

Aggregate Orders might not be possible for certain client accounts or transactions, including trades subject to directed brokerage, or resulting from the opening and closing of accounts, or from contributions to or withdrawals from existing accounts, often must be executed on an individual basis rather than aggregated with other trades. Nondiscretionary model portfolios, the recommendations for which are electronically delivered, are also not included in Aggregate Orders.

For these reasons, one account could receive an average price for a particular transaction that is different from the average price received by another account for a similar transaction on the same day.

Please refer to ARK’s policy entitled “Initial Public Offerings and New Issues” below for a discussion relating to the allocation of certain of these investment opportunities.

### Allocation

Aggregate Orders are typically assigned an initial preallocation to each participating client, taking into

consideration the size of the order placed, size of the account, investment strategy, investment restrictions, if any, and any other relevant factors. Aggregate Orders are typically allocated pro rata based on the initial preallocation. In the event of a partial fill of an Aggregate Order, accounts will receive an approximate pro rata allocation based on the initial preallocation if there are enough shares executed for each account. However, ARK can deviate from pro rata allocation in certain circumstances, such as to correct a trade error or to avoid odd lots or de minimis allocations, if all client accounts receive fair and equitable treatment over time.

Each client that participates in an Aggregate Order will generally participate at the average share price for all of the Aggregate Orders on a given day, and pay a proportional share of any commission, subject to differences due to a client having a commission recapture arrangement. However, if an order is sent to multiple brokers then certain clients with smaller orders will receive the average price from the broker who executed their order instead of the average price for all transactions executed across all brokers. If implementing a trade requires transactions over several days, each day's execution shares and average price on all Aggregate Orders for that day shall be allocated by the end of each trading day or no later than the next trading day, based on the initial preallocation.

Any deviations from a *pro rata* allocation based on the initial preallocation will be explained in writing and approved by compliance in a timely manner. At all times, ARK Portfolio Manager has the sole discretion to determine whether to repeat or complete any such order the following day(s) based on market conditions. Additionally, ARK's traders have the discretion to make rebalancing trades on behalf of the ARK Team when necessary.

#### Delivery of Nondiscretionary Model Portfolios

In the nondiscretionary model portfolios, ARK is responsible for delivering a model portfolio to the program sponsor, and the program sponsor has the sole authority and responsibility for selecting broker-dealers and executing transactions for its participant accounts. ARK is not responsible for placing orders or for giving instructions to the program sponsor with respect thereto.

The nondiscretionary model portfolios implicitly contain recommendations provided to the program sponsor that reflect investment recommendations and advice being made by ARK contemporaneously to ARK's other clients, including clients where ARK has investment and trading discretion. ARK seeks to deliver its investment recommendations for all nondiscretionary model portfolios, as well as place trades subject to directed brokerage, in a timely manner relative to the placing of discretionary trade orders. However, ARK might have already commenced trading before the program sponsor has received or had the opportunity to evaluate or act on ARK's model portfolio. For these reasons, transactions placed by the program sponsor for its participants can occur at a later time relative to ARK's discretionary trade orders, and the securities can therefore be subject to price movements, particularly with large orders relative to the given security's trading volume, which could result in nondiscretionary model portfolio participants receiving prices that are less favorable than the prices obtained by ARK's clients. Further, while ARK takes reasonable steps to minimize the market impact caused by transactions for accounts over which ARK has investment or trading authority, because ARK does not control the program sponsor's execution of transactions for participants, ARK cannot control the market impact of such transactions to the same extent that it could for accounts over which ARK has trading authority. Over time, this could lead to differences in the management, composition and performance of accounts as discussed in Item 4. The timing of the placement of discretionary trade orders and the communication of trade recommendations to nondiscretionary model portfolios will be reviewed by ARK to determine that no client is systematically disadvantaged.

## Initial Public Offerings and New Issues

Some of ARK's investment themes can purchase securities in initial public offerings ("IPOs") or "new issues" ("New Issues") as defined in relevant rules established by the Financial Industry Regulatory Authority ("FINRA") as part of their investment theme. Allocations of IPOs and will be made fairly and in accordance with FINRA Rule 5130. Only accounts that are eligible under FINRA Rule 5130 to participate in IPO allocations will be permitted to receive such allocations. Because the market for IPOs is uneven, an ARK Team portfolio manager's ability, or inability to participate in IPO allocations can have a potentially significant effect on account performance, and the shares themselves are often subject to greater volatility.

With respect to eligible accounts, ARK generally will allocate securities purchased through an IPO or New Issues on a *pro rata* basis for each eligible account in the relevant investment strategy. In situations where the securities allotment is insufficient to provide meaningful position sizes, ARK can allocate the securities on a rotating basis to as many accounts as practical, or choose strategies most relevant and/or appropriate at the ARK Team portfolio manager's discretion. The ARK Team portfolio manager will oversee allocations ensuring that over time, all eligible accounts will have an equitable opportunity to participate in IPOs and New Issues. If an investment theme's performance in a given year receives a substantial benefit from profitable IPO or New Issue allocations, ARK might be unable to duplicate that performance in the succeeding year, because the IPO or New Issue market could have shrunk, or because ARK's selections prove unsuccessful. The IPO market is risky and volatile, and clients should be willing to tolerate a higher degree of risk.

Accounts with directed brokerage will not receive allocations of securities purchased in IPOs or New Issues if the underwriting syndicate does not include a broker-dealer that the client has directed ARK to use. Generally, ARK will only allocate securities purchased in IPOs or New Issues to accounts for which ARK has discretion to select broker-dealers for transaction executions.

## **Trade Errors**

ARK exercises due care in making and implementing investment decisions on behalf of its clients and recognizes its obligation to identify and resolve trade errors in a timely manner. However, ARK monitors for errors and if an error occurs, ARK will endeavor to correct and reduce similar errors in the future. If a trade error occurs, ARK seeks to ensure that the best interests of its clients are served when correcting such errors, subject to the terms of its policies and procedures. Violations of an investment policy contained in one or more of the documents governing a client relationship as well as errors in placement, execution or settlement resulting in an incorrect settled trade will be considered "trade errors" under ARK's policy. Trade errors will be determined based on the totality of trades during a trading day in the shares of any single issuer and not on a trade-by-trade basis. Trade errors do not include good faith errors in judgment in making investment decisions for clients.

While ARK seeks to avoid errors, when ARK is responsible for a trading error, ARK's policy is to make the client whole by correcting the error, i.e., restoring the client's account to the position it would have been in if the error had not occurred, unless the error is so small (i.e., less than \$100) that correcting the error would cost more the amount of such error. Any trade error that results in a direct loss (i.e., greater than \$100) will be reimbursed to the client account in which the error was made. If a trade error results in a gain, the gain generally will accrue to the benefit of the affected client account(s). ARK will use reasonable efforts to cause any broker or other service provider that is responsible for a trade error to reimburse affected clients for any losses resulting from the trade error.

Regarding the Private Funds, ARK will determine whether any trade error has resulted from gross negligence on its part, and, unless it finds that to be the case, any losses will be borne by (and any gains will benefit) the Private Fund in accordance with its governing documents.

### **Third-Party Administrator**

Emerge Capital Management, Inc. serves as ARK's third-party administrator, providing marketing, account maintenance, trading and other related services to ARK in respect to certain of ARK's separately managed accounts.

## **ITEM 13 REVIEW OF ACCOUNTS**

### **Frequency and Nature of Periodic Account Reviews**

The ARK Team, including its Portfolio Manager, Trading, and Compliance personnel, will monitor each client account and fund on a regular basis to seek to ensure portfolio level compliance (adherence to investment strategy and client guidelines) and to determine whether to take any action for that account based on its investment objective, strategy or strategies, guidelines, policies, and restrictions and, more generally, based on ARK's review of economic and market conditions.

The timing and nature of account reviews for the ARK ETFs are further dictated by regulatory requirements including but not limited to the 1940 Act, Internal Revenue Code of 1986, as amended, and each ARK ETF's respective prospectus limitations and internal guidelines. The ARK ETFs are reviewed by their third-party administrator and the ARK ETF Trust's and ARK's CCO.

### **Factors that Will Trigger a Non-Periodic Review of Separately Managed Accounts**

Generally, ARK will review each such account as agreed to with the client. In addition, factors that could trigger a non-periodic review of a separately managed account include the following: contributions or withdrawals of cash from an account; a determination to change an account's cash level; a client's request for tax-loss selling; a client's direction to refrain from purchasing a particular security or class of securities for such client's account; a client's request for information regarding the performance or structure of an account; changes in the investment objectives, strategy or strategies, guidelines, investment policies or investment restrictions; account performance; a client's pledge of an account's assets as collateral security; and requirements imposed by court order or regulatory decree (SEC, Department of Labor, etc.).

### **Content and Frequency of Regular Reports**

For each separately managed account or other Sub-Advised Fund, ARK will provide, either directly or through a designated third party, all information it has agreed to provide to each such client and other persons or entities that they designate.

ARK provides written reports to the Board of Trustees of the ARK ETF Trust as well as ARK's Board of Directors at least four times each calendar year. Shareholder reports for the ARK ETF Trust are issued in accordance regulatory requirements.

ARK provides audited financial statements to Private Fund investors on an annual basis as well as unaudited quarterly (or more frequent) performance reports.

## **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

### **Economic Benefits Provided by Third Parties**

In transactions that involve brokerage commissions, as permitted by Section 28(e) of the 1934 Act, ARK can cause a client to pay a broker-dealer that provides “brokerage and research services” (as defined in the 1934 Act) a disclosed commission for effecting a securities transaction for the client in excess of the commission which another broker-dealer would have charged for effecting that transaction without the brokerage and research services. Other fees are disclosed more fully in Item 5 and other conflicts of interest with regard to the receipt of soft dollars are disclosed more fully in Item 12.

ARK engages in activities designed to educate consultants, broker-dealers, and other financial intermediaries (collectively, “Consultants”) about its advisory services. These activities include sponsoring educational events or conferences where ARK’s representatives meet with Consultants and sometimes their clients. ARK uses its own resources to pay for part of the costs associated with educational events. Clients who desire additional information about payments to particular Consultants should contact ARK or the Consultant.

### **Compensation to Non-Advisory Personnel for Client Referrals**

ARK has entered into written solicitation agreements with certain entities that introduce prospective clients to ARK. Under these agreements, the solicitor receives compensation related to the investment management fees ARK receives from certain investment management clients who engage ARK during the term of the agreement. As a result of these arrangements, a solicitor has a financial incentive to recommend ARK to a client which the solicitor might not otherwise recommend if there was no payment. ARK enters into solicitation agreements, and pays fees under these agreements, in accordance with Rule 206(4)-1 and, where the solicitation involves certain state or municipal entities, Rule 206(4)-5 under the Advisers Act. ARK’s solicitors include entities that hold an indirect, non-controlling interest in ARK.

Additionally, ARK makes payments to the distributor of the ARK ETFs to provide certain marketing services for the ARK ETFs. ARK makes these payments from its own resources. In addition, the ARK ETFs currently do not, but could in the future, reimburse ARK for amounts it pays pursuant to plans and agreements that are adopted by the ARK ETFs pursuant to Rule 12b-1 under the 1940 Act (“Rule 12b-1 Fees”). The prospectuses and statement of additional information for the ARK ETFs contain information about Rule 12b-1 Fees.

ARK makes payments to select financial intermediaries and/or firms that are strategic partners of ARK in connection with (i) the sale of shares of the ARK ETFs and/or interests in other investment advisory products and services provided by ARK and (ii) the servicing of the accounts of shareholders in the ARK ETFs or investors in other investment advisory products or services. Such payments are made by ARK and are not made or reimbursed by the ARK ETFs. ARK receives benefits for making these payments including: placing the ARK ETFs on the financial advisor’s funds sales system, possibly placing the ARK ETFs on the financial intermediary’s preferred or recommended fund list, and access (in some cases on a preferential basis over other competitors) to individual members of the financial intermediary’s sales force or to the financial intermediary’s management. ARK compensates financial intermediaries differently depending on the level and/or type of services the financial intermediary provides.

## ITEM 15 CUSTODY

Due to certain potential fee billing arrangements, ARK might be deemed to have “custody” of certain client accounts within the meaning of the Custody Rule. If ARK is deemed to have custody over a client’s account, the client’s custodian will send the client periodic account statements (generally on a quarterly basis) indicating the amounts of any funds or securities in the client’s account as of the end of the statement period and any transactions in the account during the statement period. ARK encourages all its clients to review the custodial reports they receive directly from their broker-dealers, banks or other custodians, and to compare such reports to the reports, if any, they receive from ARK. Additionally, clients should contact ARK immediately if they do not receive account statements from their custodian on at least a quarterly basis or see discrepancies between reports.

ARK is deemed to have custody of its Private Fund assets because the managing member or general partner of the Private Funds is a related person of ARK. With respect to any Private Fund for which ARK is deemed to have custody, each Private Fund’s funds or securities will be held in properly designated accounts with qualified custodians in compliance with the Custody Rule. Some cryptocurrencies held by Private Fund clients are not “funds” or “securities” and, therefore, will not necessarily be held in the same manner as “funds and securities.” However, ARK, as a fiduciary, takes appropriate steps to safeguard these cryptocurrency holdings in a manner that it believes is reasonably designed to protect the Private Fund against loss or misappropriation of the cryptocurrency interests. Investors in the Private Funds will receive annual audited financial statements. The Private Funds generally distribute their audited financial statements to investors on an annual basis within 120 days of the calendar year end (or 180 days after the calendar year end for funds-of-funds).

## ITEM 16 INVESTMENT DISCRETION

ARK accepts discretionary authority to manage securities accounts on behalf of its clients. Before accepting discretionary authority, ARK enters into a written investment advisory agreement, including an Advisory Agreement, with a client. In the case of a client with a separately managed account, this agreement can include investment guidelines or similar documents describing the client’s investment objective, strategy or strategies, policies, practices (e.g., securities lending), limitations, and restrictions on ARK’s management of the account, and a benchmark. See Item 4 Advisory Business for examples of the types of limitations and restrictions that a client can impose.

ARK reserves the right not to enter into an agreement with a prospective client, or to terminate an agreement with an existing client, if, among other things, any proposed limitation or restriction is, in ARK’s view, likely to impair ARK’s ability to appropriately provide services to a client or ARK otherwise believes the limitations or restrictions to be operationally impractical or unfeasible. Certain investment restrictions can limit ARK’s ability to execute the investment strategy and reduce the account’s performance as a result.

ARK will exercise discretionary authority with respect to the management of pooled investment vehicles, Sub-Advised Funds and Other Registered Investment Companies in accordance with the objective(s), strategies, guidelines, practices, policies, limitations, restrictions, and benchmarks set forth the prospectus (and statement of additional information if applicable) or offering document and/or disclosure document for each vehicle, fund or investment company.

ARK exercises discretionary authority with respect to the ARK ETFs in accordance with the Advisory



Agreement and Supervisory Agreement as well as the investment objective, strategies, policies, practices, limitations, and restrictions set forth in the ARK ETFs' prospectuses and statement of additional information, which are publicly available at [www.ark-funds.com](http://www.ark-funds.com), on the EDGAR Database on the SEC's website ([www.sec.gov](http://www.sec.gov)) or by contacting the ARK ETFs' principal underwriter, Foreside Fund Services, LLC at Three Canal Plaza, Suite 100, Portland, ME 04101 or by calling 855-406- 1506.

## **ITEM 17 VOTING CLIENT SECURITIES**

ARK recognizes its fiduciary responsibility to vote proxies solely in the client's best interests. ARK has adopted a Proxy Voting Policy reasonably designed to ensure that ARK votes any shares owned by clients, which have delegated discretionary proxy voting authority to ARK, in the best interest of the clients considering all relevant factors and without regard to the interests of ARK or other related parties. For purposes of ARK's Proxy Voting Policy, the "best interests of clients" means (unless with respect to a particular client, such client has otherwise specified) the clients' best economic interests over the long term – that is, the common interest that all clients share in seeing the value of a common investment increase over time. ARK will accept directions from a client to vote the client's proxies in a manner that could result in its proxies being voted differently than ARK might vote proxies of other clients over which ARK has full discretionary proxy voting authority. ARK believes such client directions are client selected guidelines and ARK's Proxy Voting Policy does not generally apply to customized proxy voting guidelines. Of course, clients can choose to vote their own proxies or to have a firm other than ARK vote their proxies for them.

ARK has retained Broadridge Investor Communication Solutions, Inc. ("Broadridge") to provide proxy voting agent services. Broadridge is responsible for ensuring that all proxy ballots received for securities held in ARK client accounts are submitted in a timely manner and also provides, recordkeeping and reporting services. As part of its arrangement with Broadridge, ARK utilizes Glass Lewis & Co., LLC ("Glass Lewis") to recommend how to vote proxies received for client accounts. Absent a client directive to vote a proposal a certain way or a determination to override a Glass Lewis recommendation, client proxies will be voted in accordance with applicable Glass Lewis guidelines and recommendations. Because different client accounts can be voted in accordance with different guidelines, client accounts could be voted differently on the same matter.

For proxies of companies not in an actively managed portfolio, ARK will vote consistent with the Glass Lewis recommendation. For proxies of companies in one or more actively managed portfolio, ARK will generally vote proxies consistent with Glass Lewis' recommendations, if in accord with company management recommendations, without independent review., If the Glass Lewis recommendation is not in accord with company management recommendations, the lead analyst (or other designated personnel) will independently review to determine if, based on all facts and circumstances, the Recommendation is in the best interests of the clients. The Adviser's lead analyst (or other designated personnel) has the ultimate responsibility to accept or reject any Recommendation. From time to time ARK could disagree with Glass Lewis' recommendation on how to vote proxies for one or more resolutions. However, because ARK could have business interests that expose it to pressure to vote a proxy in a manner that might not be in the best interest of its clients, all requests to vote differently from the Glass Lewis recommendation with respect to a particular matter must be submitted to ARK's compliance personnel ("Compliance") for a determination as to whether a potential material conflict of interest exists between ARK and the clients on whose behalf the proxy is to be voted. If Compliance determines that there is no potential material conflict of interest, the lead analyst (or other designated personnel) may override the Glass Lewis recommendation and vote the proxy issue as they determine is in the best interest of clients. If Compliance determines that there exists or can exist a material

conflict of interest, Compliance will consider the facts and circumstances of the pending proxy vote and the potential or actual material conflict and decide how to vote the proxy. In the event Glass Lewis itself has a conflict and thus, is unable to provide a recommendation, the portfolio manager (or other designated personnel) will make a voting recommendation.

Conflicts can arise between ARK's interests and the client's interests. For example, conflicts exist when ARK manages a client account that invests in affiliated funds. When ARK receives proxies in its capacity as a shareholder of an affiliated underlying fund, ARK will vote in accordance with the recommendation of Glass Lewis. If Glass Lewis does not provide a recommendation, ARK then can address the conflict by "echoing" or "mirroring" the vote of the other shareholders in those underlying funds.

ARK can choose not to vote proxies if the effect on the client's economic interests or the value of the portfolio holding is indeterminable or insignificant; if the cost of voting the proxy outweighs the possible benefit; or if a jurisdiction whose laws or regulations govern the voting of proxies with respect to the portfolio holding impose share blocking restrictions which prevent ARK from exercising its voting authority. Administrative matters beyond ARK's control can at times prevent ARK from voting proxies.

Where ARK has not been delegated discretionary proxy voting authority, clients will receive their proxies or other solicitations directly from their custodian, transfer agent or third-party proxy voting agent.

To obtain a copy of ARK's Proxy Voting Policy, or if you have any questions or would like to know how your shares were voted, please contact us at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact).

### **Class Action Suits**

ARK will not take action regarding class action suits with respect to securities owned by its clients where such clients have not directed ARK to vote proxies on the client's behalf. ARK retained Broadridge to take action regarding class action suits with respect to securities owned by its clients who have directed ARK to vote proxies on the client's behalf. Broadridge provides asset recovery services covering global securities class action lawsuits, bankruptcies and disgorgements. Broadridge will file the proof of claim and the required documentation directly with the claim's administrator. Broadridge will also collect and receive payment from the claim's administrator and distribute such payment back to ARK who will then redistribute such payment to the particular client. Under the terms of the agreement, Broadridge is entitled to a contingency fee of 20% of the total reimbursement of securities class actions settlements. Clients are advised to consult their attorney to determine their course of legal action.

## **ITEM 18 FINANCIAL INFORMATION**

ARK does not require or solicit pre-payment of fees six months or more in advance and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

## **ADDITIONAL INFORMATION**

### **Privacy Policy**

ARK is committed to protecting the confidentiality of information clients send to us. Regulation S-P adopted by the SEC requires that we provide the following information to you.

Information about you that we collect: We can collect non-public personal information about you and your transactions from the following sources: your account forms, through our website, through your transactions with us or others, email and social media.

How we use your information: As permitted by law, we can share information about you with non-affiliated third parties that provide services to us or as necessary to service your account. These parties have agreed to treat your information as confidential and not to share such information with other parties. Otherwise, we do not disclose your non-public personal information unless authorized by you in writing or as otherwise permitted by law. This policy applies to non-public information about current, former or prospective clients who are natural persons.

How we protect your confidential information: ARK has policies that restrict access to your non-public personal information to employees who need the information to provide investment services to you. We maintain physical, electronic and procedural safeguards to protect your non-public personal information.

For additional information, please refer to ARK's Privacy Policy available at: <https://ark-invest.com/privacy-policy/>.



## **Part 2B of FORM ADV Brochure Supplement**

ARK Investment Management LLC  
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March 31, 2023

CATHERINE D. WOOD

This Brochure Supplement provides information about Catherine D. Wood that supplements the ARK Investment Management LLC (“ARK”) Brochure. You should have also received a copy of the Brochure. Please contact us at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact) if you did not receive ARK’s Brochure or if you have any questions about the contents of this Brochure Supplement.

**Name: CATHERINE D. WOOD**

Year of Birth: 1955

## **Item 2- Educational Background and Business Experience**

### Formal education after high school:

Bachelor of Science, *summa cum laude*, in Finance and Economics from the University of Southern California

### Business background and experience for preceding years:

ARK Investment Management LLC	2014-present	Managing Member, Founder and Chief Executive Officer
ARK ETF Trust	2014-present	Chief Executive Officer, Chief Investment Officer and Trustee
AllianceBernstein L.P.	2001-2013	Senior Vice President and Chief Investment Officer of Global Thematic Portfolios
Tupelo Capital Management	1998-2001	Chief Investment Officer
Jennison Associates	1980-1998	Chief Economist, Equity Research Analyst, Portfolio Manager and Director

## **Item 3 - Disciplinary Information**

None

## **Item 4 - Other Business Activities**

None

## **Item 5 - Additional Compensation**

Ms. Wood will receive a salary, and is the principal owner of ARK, currently controlling approximately 70% of all equity interests in ARK, and can receive earnings from ARK. She is also eligible to receive a bonus based on the quality of the advisory services and the overall financial performance of ARK.

## **Item 6 - Supervision**

Ms. Wood reports to the ARK ETF Trust Board of Trustees' Independent Trustees as well as ARK's Board of Directors on various business-related and non-investment matters. Also, Ms. Wood is a supervised person of ARK under its Compliance Manual and Code of Ethics wherein she is obligated to comply with ARK's policies and procedures in terms of her conduct and activities. Among other things, ARK's Compliance Manual mandates that such Supervised Persons act within the best interest of ARK's clients in making suitable investment decisions for ARK's clients. Mr. Kellen Carter, Corporate Counsel/Chief Compliance Officer, is ultimately responsible for supervising Ms. Wood's advisory activities on behalf of ARK, and he can be reached at telephone number: 727-387-5084



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March 31, 2023

BRETT M. WINTON

This Brochure Supplement provides information about Brett M. Winton that supplements the ARK Investment Management LLC (“ARK”) Brochure. You should have also received a copy of the Brochure. Please contact us at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact) if you did not receive ARK’s Brochure or if you have any questions about the contents of this Brochure Supplement.



**Name: BRETT M. WINTON**

Year of Birth: 1978

## **Item 2 - Educational Background and Business Experience**

### Formal education after high school:

Bachelor of Science in Engineering from the Massachusetts Institute of Technology

### Business background and experience for preceding years:

ARK Investment Management LLC	2014-present	Director of Research
iamB Consulting	2012-present	Principal
AllianceBernstein L.P.	2007-2012	Research Analyst

## **Item 3 - Disciplinary Information**

None

## **Item 4 - Other Business Activities**

Mr. Winton is Principal of iamB Consulting, which conducts bespoke thematic research, specializing in the implications of theme-based disruptive innovation for select and approved start-up businesses. Mr. Winton's activities could present a conflict of interest with the clients that also pursue thematic investing, but Mr. Winton is not permitted to take on projects or assignment through iamB Consulting that would conflict with his duties and responsibilities to ARK.

## **Item 5 - Additional Compensation**

Mr. Winton receives a salary at a competitive rate and owns a small equity interest (approximately 2.1%) in ARK. Mr. Winton receives standard employee benefits and is also eligible to receive a bonus based on the quality of the advisory services and the overall financial performance of ARK.

## **Item 6 - Supervision**

Mr. Winton reports directly to Ms. Catherine Wood and is a supervised person of ARK under its Code of Ethics. Ms. Wood is the Managing Member, Founder and Chief Executive Officer and can be contacted at 1-727-810-8160. Mr. Winton is also obligated to comply with ARK's Compliance Manual and Code of Ethics in terms of his conduct and activities.



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March 31, 2023

WILLAM SCHERER

This Brochure Supplement provides information about William Scherer that supplements the ARK Investment Management LLC (“ARK”) Brochure. You should have also received a copy of the Brochure. Please contact us at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact) if you did not receive ARK’s Brochure or if you have any questions about the contents of this Brochure Supplement.

**Name: WILLIAM SCHERER**

Year of Birth: 1992

**Item 2 - Educational Background and Business Experience**

Formal education after high school:

Bachelor of Science in Accounting from Bryant University

Master of Business Administration from Baruch College's Zicklin School of Business

Business background and experience for preceding years:

ARK Investment Management LLC	2014-present	Trading Manager
TIAA-CREF	2013-2014	Business Analyst Intern

**Item 3 - Disciplinary Information**

None

**Item 4 - Other Business Activities**

None

**Item 5 - Additional Compensation**

Mr. Scherer receives a salary at a competitive rate and owns a small equity interest (less than a half of a percent) in ARK. Mr. Scherer receives standard employee benefits and is also eligible to receive a bonus based on the quality of the advisory services and the overall financial performance of ARK.

**Item 6 - Supervision**

In this capacity, Mr. Scherer reports directly to Ms. Wood and is a supervised person of ARK under its Code of Ethics. Ms. Wood is the Chief Executive Officer and Chief Investment Officer and can be contacted at 1-727-387-5082. Mr. Scherer is also obligated to comply with ARK's Compliance Manual and Code of Ethics in terms of his conduct and activities.



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March 31, 2023

Dan White, CFA

This Brochure Supplement provides information about Dan White that supplements the ARK Investment Management LLC (“ARK”) Brochure. You should have also received a copy of the Brochure. Please contact us at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact) if you did not receive ARK’s Brochure or if you have any questions about the contents of this Brochure Supplement.

**Name: Dan White**

Year of Birth: 1991

## **Item 2 - Educational Background and Business Experience**

### Formal education after high school:

CFA Charterholder

Bachelor of Arts in Finance from the University of Rhode Island

### Business background and experience for preceding years:

ARK Investment Management LLC	2021-present	Associate Portfolio Manager
Bank of America	2016-2021	V.P./Investment Strategist

## **Item 3 - Disciplinary Information**

None

## **Item 4 - Other Business Activities**

None

## **Item 5 - Additional Compensation**

Mr. White receives a salary at a competitive rate and owns a small equity interest (less than a half of a percent) in ARK. Mr. White receives standard employee benefits and is also eligible to receive a bonus based on the quality of the advisory services and the overall financial performance of ARK.

## **Item 6 - Supervision**

Mr. White reports directly to Ms. Wood and is a supervised person of ARK under its Code of Ethics. Ms. Wood is the Chief Executive Officer and Chief Investment Officer and can be contacted at 1-727-537-0973. Mr. White is also obligated to comply with ARK's Compliance Manual and Code of Ethics in terms of his conduct and activities.



## **Part 2B of FORM ADV Brochure Supplement**

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March 31, 2023

NICHOLAS GROUS

This Brochure Supplement provides information about Nicholas Grous that supplements the ARK Investment Management LLC (“ARK”) Brochure. You should have also received a copy of the Brochure. Please contact us at 1-727-810-8160 or through [www.ark-invest.com/contact](http://www.ark-invest.com/contact) if you did not receive ARK’s Brochure or if you have any questions about the contents of this Brochure Supplement.



**Name: NICHOLAS GROUS**

Year of Birth: 1995

**Item 2 - Educational Background and Business Experience**

Formal education after high school:

Bachelor of Arts in Political Science from the University of Michigan

Business background and experience for preceding years:

ARK Investment Management LLC	2018-present	Associate Portfolio Manager
York International Agency, LLC	2018	Assistant Account Executive
Vestorly	2017	Account Executive
Gamma Real Estate	2015-2016	Real Estate Summer Analyst

**Item 3 - Disciplinary Information**

None

**Item 4 - Other Business Activities**

None

**Item 5 - Additional Compensation**

Mr. Grous receives a salary at a competitive rate and owns a small equity interest (less than a half of a percent) in ARK. Mr. Grous receives standard employee benefits and is also eligible to receive a bonus based on the quality of the advisory services and the overall financial performance of ARK.

**Item 6 - Supervision**

Mr. Grous reports directly to Ms. Wood and is a supervised person of ARK under its Code of Ethics. Ms. Wood is the Chief Executive Officer and Chief Investment Officer and can be contacted at 1-727-537-0973. Mr. Grous is also obligated to comply with ARK's Compliance Manual and Code of Ethics in terms of his conduct and activities.