

## AAM LOW DURATION PREFERRED &amp; INCOME SECURITIES ETF

3/31/2024

## Reasons to Consider:

**High monthly income.**

PFLD targets preferred securities which have historically offered higher yields than similarly rated bonds thus providing a solution to diversify income streams. The Fund may also pay qualified dividends which are taxed at a lower rate than ordinary income.

**Reduced interest rate risk.**

The Fund targets preferred securities with an option-adjusted duration less than 5 years.

**Diversification.**

The Fund targets hybrid securities that have exhibited lower correlations to traditional stock and bond strategies.

## PHLD Index Summary

- Starting universe: ICE Exchange-Listed Preferred & Hybrid Securities Index (PHGY)<sup>2</sup>, excluding convertible securities
- Remove securities with option-adjusted duration greater than five years
- Remove securities that are priced greater than 105% of face value
- Market-capitalization weighted, subject to liquidity and diversification requirements

## FUND DETAILS

## KEY INFORMATION

Fund Inception	11/19/2019
Underlying Index	ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD)
Number of Holdings	202
Expense Ratio	0.46%
30-Day SEC Yield	6.44%
Distribution Frequency	Monthly
Rebalance Frequency	Monthly

## TRADING DETAILS

Fund Ticker	PFLD
Underlying Index Ticker	PHLD
Benchmark Ticker	PHGY
Intra-Day Indicative Value (IIV)	PFLD.IV
CUSIP	26922A198
ISIN	US26922A1988
Primary Exchange	NYSE Arca

## FUND &amp; INDEX PERFORMANCE (%)

	QTR	YTD	1Y	3Y	5Y	Since Inception
NAV	3.19	3.19	8.02	-0.05	—	1.73
Market Price	2.98	2.98	8.03	0.02	—	1.80
Underlying Index (PHLD)	3.34	3.34	8.43	0.27	—	2.12
Benchmark Index (PHGY)	4.73	4.73	10.78	0.27	—	2.65

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost; current performance may be lower or higher than the performance quoted. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be based solely on returns. For the most recent month end performance please visit the funds website at [www.aamlive.com](http://www.aamlive.com).

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 800.617.0004, or visiting [www.aamlive.com](http://www.aamlive.com). Read it carefully before investing.

## INDEX CHARACTERISTICS

	PHLD <sup>1</sup>	PHGY <sup>2</sup>
No. of Constituents	202	445
Mean Market Cap. (\$MM)	329.13	368.36
Yield to Worst (%)	9.07	7.91
Effective Duration** (Years)	1.84	5.64

## TOP 10 CONSTITUENTS

Name	Coupon (%)	Rating <sup>^</sup>	Wt (%)
JPMorgan Chase & Co	6.00	BBB2	2.48
JPMorgan Chase & Co	5.75	BBB2	2.26
Goldman Sachs Group Inc/ The	6.23	BB1	1.96
Duke Energy Corp	5.75	BB1	1.58
Bank of America Corp	6.00	BBB2	1.47
US Bancorp	6.18	BBB2	1.33
Athene Holding Ltd	6.35	BBB3	1.30
AT&T Inc	5.63	BBB2	1.28
Energy Transfer LP	7.60	BB1	1.26
MetLife Inc	5.63	BBB2	1.23

## TOP 10 SECTOR ALLOCATIONS (%)\*

Sector	Wt
Banking	25.60
Financial Services	19.12
Real Estate	15.70
Insurance	15.34
Utility	10.39
Energy	3.17
Consumer Goods	2.49
Automotive	2.33
Telecommunications	1.28
Transportation	1.20

## DURATION ALLOCATIONS (%)\*\*

< 1 Year	38.84
1 - 3 Year	31.55
3 - 5 Year	22.31
5 - 7 Year	6.76

  

CREDIT RATING ALLOCATIONS (%) <sup>^</sup>	
AA	0.65
BBB	46.16
BB	24.79
B	4.12
CCC	1.12
NR	23.15

## COUPON ALLOCATIONS (%)\*\*

Fixed Rate	43.85
Floating Rate	8.02
Variable Rate	47.60

Duration Allocations, Top 10 Sector Allocations and Credit Rating Allocations are subject to change and should not be considered a recommendation to buy or sell any security and may not add to 100% due to rounding.

<sup>^</sup>Ratings are subject to change. Credit quality distribution is determined by public credit ratings, typically issued by agencies such as Standard & Poor's Global Ratings and Moody's Investors Services, who are the two most prevalent credit rating agencies. If more than one credit rating is presented, an average is determined. Ratings apply to the credit worthiness of the issuers of the underlying securities and not to the Fund itself. Bond ratings are grades given to the bonds to indicate their credit quality as determined by rating agencies including, but not limited to, S&P and Moody's. Ratings are expressed as letters, ranging from AAA, which is the highest grade, to D, which is the lowest grade. When a rating agency has not issued a formal rating, the adviser will classify the security as non-rated. \* Sector classifications are ICE industry level 3 classifications. \*\* See Definitions for more information.

<sup>1</sup>: ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD) measures the performance of exchange-listed, U.S. dollar-denominated preferred securities and hybrid securities listed on the New York Stock Exchange ("NYSE") or NASDAQ Capital Market ("NASDAQ") with an option-adjusted duration of less than 5 years. The Index was developed by ICE Data Indices, LLC ("IDI"), the Fund's index provider.

<sup>2</sup>: ICE Exchange-Listed Preferred & Hybrid Securities Index (PHGY) measures the performance of exchange-listed, U.S. dollar-denominated preferred securities and hybrid securities listed on the New York Stock Exchange ("NYSE") or NASDAQ Capital Market ("NASDAQ").

Any tax or legal information provided is a summary of our understanding and interpretation of some of the current income tax regulations and is not exhaustive. Investors must consult their tax professional or legal counsel for advice and information concerning their particular situation. Neither the Fund nor any of its representatives may give legal or tax advice.

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV) and may trade at a discount or premium to NAV. Shares are not individually redeemable from the Fund and may be only be acquired or redeemed from the fund in creation units. Brokerage commissions will reduce returns. Companies with high yield or payout ratio may underperform other securities in certain market conditions and reduce or discontinue paying dividends entirely while included in the index. The Fund's return may not match or achieve a high degree of correlation with the return of the underlying Index. To the extent the Fund utilizes a sampling approach, it may experience tracking error to a greater extent than if the Fund had sought to replicate the Index. Diversification does not assure a profit or protect against a loss in a declining market.

The value of a company's preferred stock will react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition. Preferred stock is subject to the risks that a company may defer or not pay dividends, and, in certain situations, may call or redeem its preferred stock or convert it to common stock. During periods of falling interest rates, an issuer of a callable security held by the Fund may "call" or repay the security before its stated maturity, and the Fund may have to reinvest the proceeds at lower interest rates.

Investments in small and mid-cap companies may involve less liquidity and greater volatility than larger companies.

Definitions: A **coupon** is the annual interest rate paid on a bond expressed as a percentage of the face value. **Mean Market Capitalization** is calculated by multiplying the number of outstanding shares by the current price. Therefore larger companies (i.e. with higher market capitalization) have more influence on a portfolio or index's performance. **Duration** is a measure that helps approximate the degree of price sensitivity of a bond to changes in interest rates and is adjusted to account for the change in cash flows of the bond's embedded option. It is not possible to invest in an index. **Yield to Maturity** is the total annual return on a bond investment if held to maturity. **Yield to Worst** represents the lowest possible yield a bond can generate if the issuer fulfills all payment obligations. The **30-day SEC Dividend Yield** is based on the most recent 30-day period covered by the fund's filing with the SEC.

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