



Intelligent Investments. Independent Ideas.



As of 3/31/24

PFLD

AAM Low Duration Preferred & Income Securities ETF

The ONLY Low Duration Preferred ETF

Advisors Asset Management Inc. (AAM) is a SEC Registered Investment Advisor and Member FINRA/SIPC.

18925 Base Camp Road • Monument, CO 801321 • www.aamlive.com

The ONLY Low Duration Preferred ETF



HIGH CURRENT INCOME POTENTIAL

Preferred securities tend to pay higher income rates than similarly rated bonds because they sit lower in the capital structure than senior and subordinated debt.



TAX-ADVANTAGED INCOME

Many preferred securities are QDI eligible which means that they are taxed at the dividend tax rate, which is lower than ordinary income. This preferential tax treatment allows investors to take home more of their income.



LOW CORRELATION WITH OTHER ASSET CLASSES

Preferred securities are mostly issued by banking, insurance real estate and utility companies which are generally well capitalized coming out of the financial crisis.



ATTRACTIVE INCOME/DURATION PROFILE

Low duration preferred securities offer investors the potential to increase their take home income without significant interest rate risk.



MONTHLY DISTRIBUTIONS

Monthly distributions allow shareholders flexibility in meeting their current obligations or reinvesting the dividends to leverage the power of compounding for potential capital appreciation.

**AAM Low-Duration Preferred
& Income Securities ETF**

PFLD

Expense Ratio: 0.45%
Inception Date: November 19, 2019

Underlying Index

ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD)

Summary

The ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD) tracks the performance of shorter duration exchange-listed US Dollar denominated hybrid debt and preferred stock publicly issued by corporation in the US domestic market.

Index Ticker

PHLD

Starting Universe

With the exception of preferred securities, floating rate coupon or dividend securities are excluded, but zero, step and rating-dependent coupons are included. Qualifying securities must be exchange listed and have either the NASDAQ or NYSE as their primary exchange

Inclusion Requirements

- Must be exchange listed and have either the NASDAQ or NYSE as their primary exchange
- **Securities must have an option-adjusted duration less than 5 years**
- Once included, securities must have less than a 6 year option-adjusted duration to remain.
- **Qualifying securities must be priced at no more than 105% of face value.**

Exclusion Requirements

- Contingent capital securities (“cocos”) are excluded
- Securities in legal default, securitized debt and eurodollar bonds (USD securities not issued in the US domestic market) are excluded.
- Auction market securities, purchase units, purchase contracts, securities issued by closed end funds and derivative instruments such as repackaged securities and credit default swaps are excluded.

Market Capitalization

- Corporate debt issued in \$1,000 or greater par amounts must have a coupon deferral feature, at least \$250 million face amount outstanding and at least 18 months to final maturity at the time of issuance to qualify.
- Preferred stock and notes issued in \$25, \$50, or \$100 par/liquidation preference increments, must have a minimum amount outstanding of \$100 million.

Liquidity

- At least 90% of the index must be comprised of constituents with a market capitalization of at least \$75 million.
- At least 70% of the capitalization of the index must be comprised of constituents that have had an average of 250,000 shares or \$25 million traded value per month over the preceding six months, based on the average daily price over the period.

Weighting

Index constituents are market capitalization-weighted subject to certain constraints (see index rules for specific constraints).

Issuer Caps

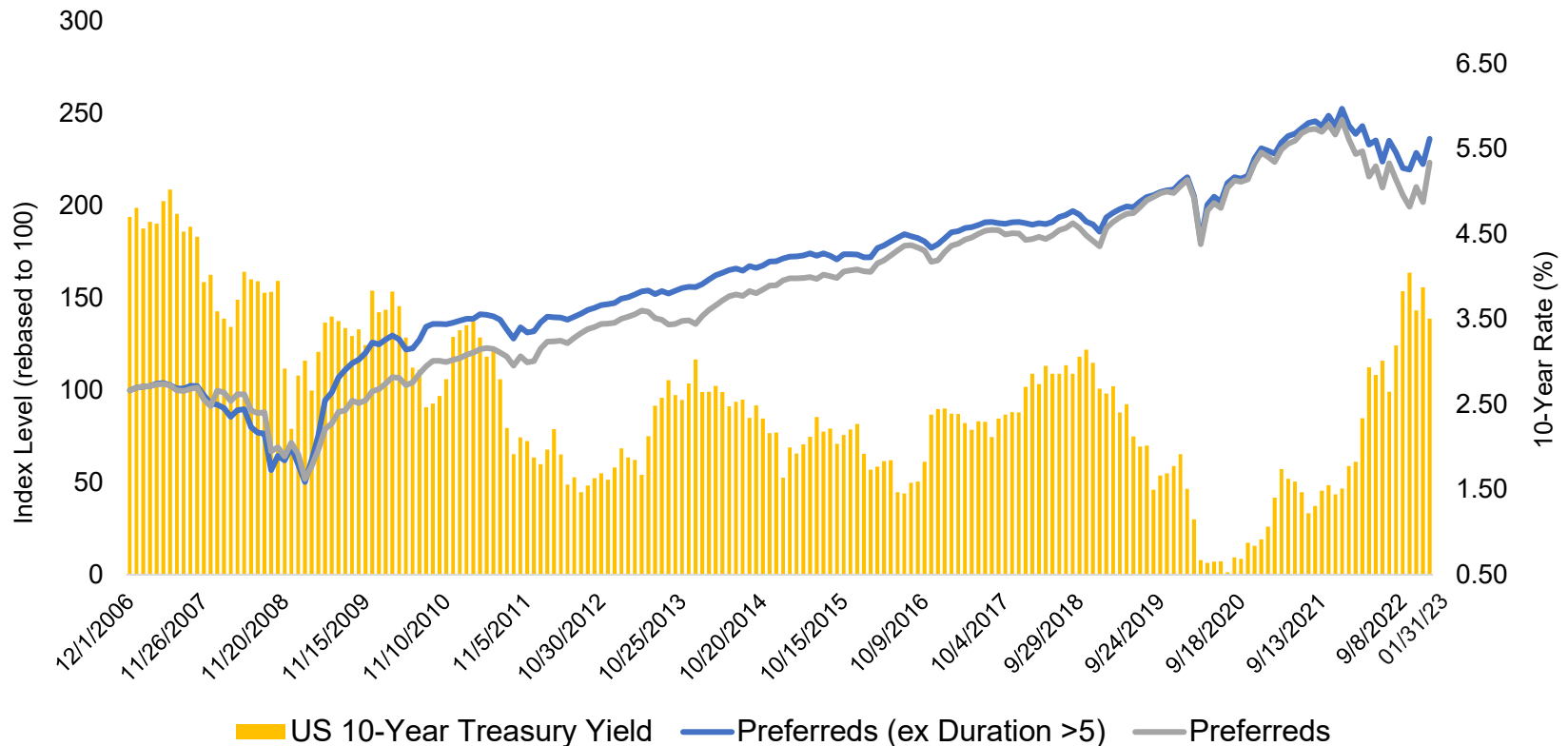
The total allocation to an individual issuer across the entire index is limited to 4.75%

Index Rebalance

Monthly

Limiting Duration Risk

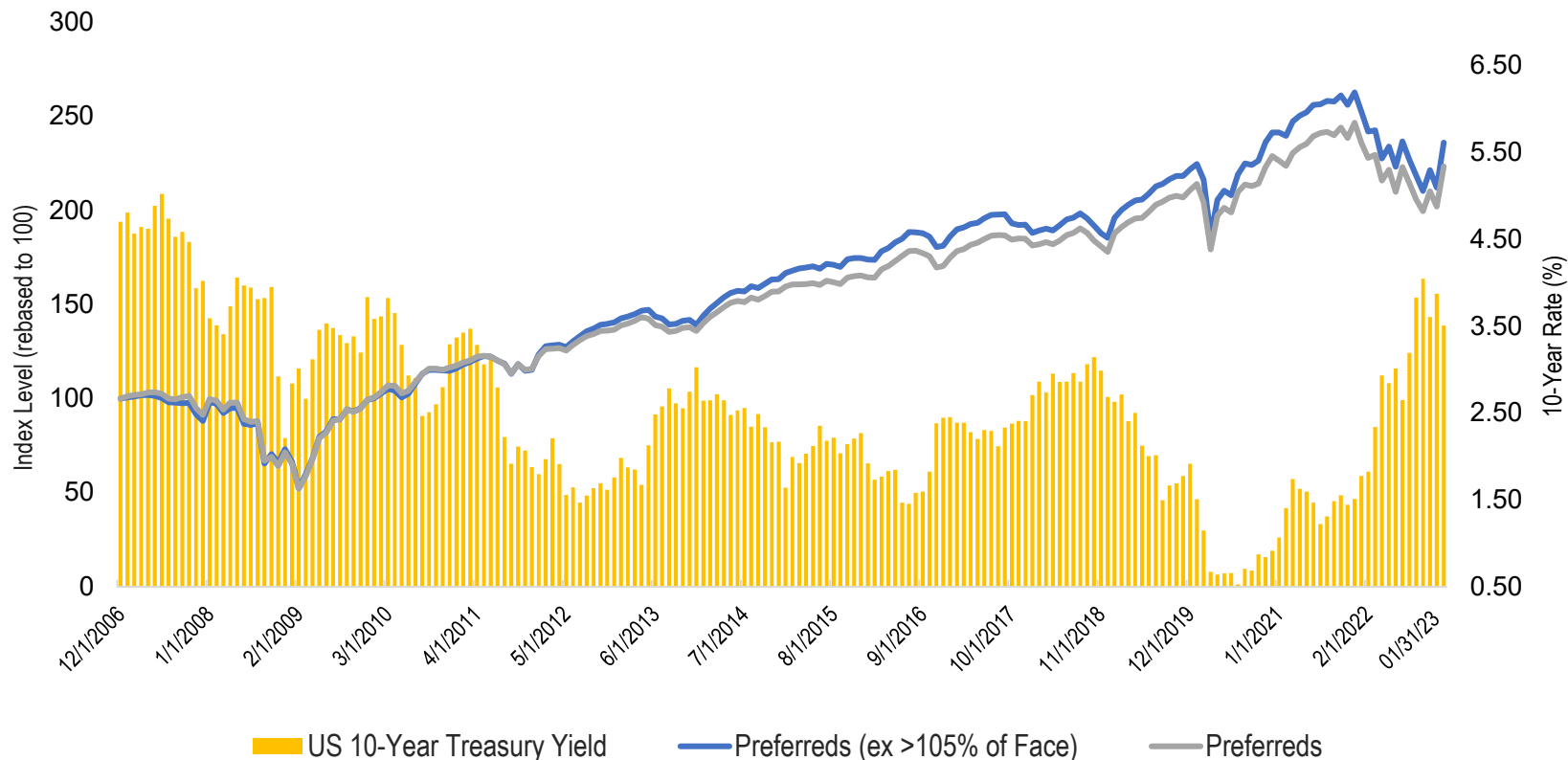
Low duration preferreds have had similar returns to the broader preferred market with lower interest rate risk



Source: ICE Data Services. 12/31/06 to 1/31/23. **Past performance is no guarantee of future results.** Preferreds (ex Duration >5) is represented by a custom index developed by ICE Data Services which removes from the ICE Exchange-Listed Preferred & Hybrid Securities Index all preferred securities with an Effective Duration greater than 5 years. **Preferreds** are represented by ICE Exchange-Listed Preferred & Hybrid Securities Index (PHGY). For illustrative purposes only. It is not possible to invest directly in an index. Indices do not include cash. See Disclosures for other index definitions.

Mitigating Call Risk

Historical performance of preferreds priced at no greater than 105% of face value compared to the broader preferred market

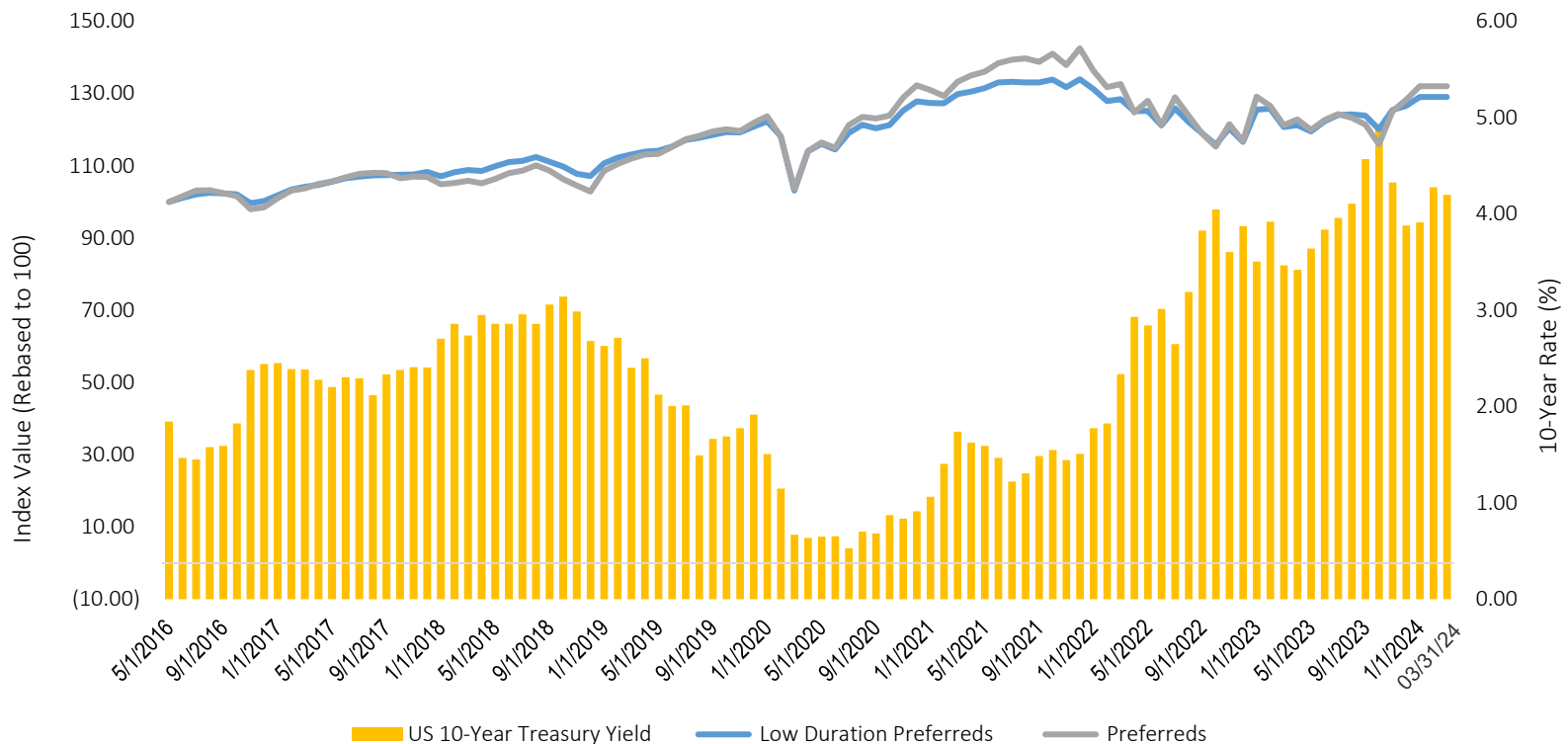


Source: ICE Data Services. 12/31/06 to 1/31/23. **Past performance is no guarantee of future results.**

Preferreds (ex > 105% of Face) is represented by a custom index developed by ICE Data Services which removes from the ICE Exchange-Listed Preferred & Hybrid Securities Index all preferred securities priced at greater 105% of face value. Preferreds priced greater than 105% of face value are more likely to be redeemed prior to maturity, leading to reduced yields. **Preferreds** are represented by ICE Exchange-Listed Preferred & Hybrid Securities Index (PHGY). For illustrative purposes only. It is not possible to invest directly in an index. Indices do not include cash. See Disclosures for index definitions.

Blending The Two Screens Together

PHLD has had similar returns to the broader preferred market with lower interest rate and call risk.*



* Source: ICE Data Services. 5/31/16 and 3/31/24.

Past performance is no guarantee of future results. Low Duration Preferreds are represented by the ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD). **Preferreds** are represented by ICE Exchange-Listed Preferred & Hybrid Securities Index (PHGY). Annualized volatility is the annualized rate of standard deviation of daily index returns over the time period. For illustrative purposes only. It is not possible to invest directly in an index. Indices do not include cash. See Disclosures for other index definitions.

PFLD Performance (%)

Ticker	Description	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception 11/19/2019
PFLD	AAM Low-Duration Preferred & Income Securities ETF (NAV)	3.19%	3.19%	8.02%	-0.05%	-	-	1.73%
PFLD	AAM Low-Duration Preferred & Income Securities ETF (Market Price)	2.98%	2.98%	8.03%	0.02%	-	-	1.80%
PHLD	ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (Underlying)	3.34%	3.34%	8.43%	0.27%	-	-	2.12%
PHGY	ICE Exchange-Listed Preferred & Hybrid Securities Index (Benchmark)	4.73%	4.73%	10.78%	0.27%	-	-	2.65%

Expense Ratio: 0.46%

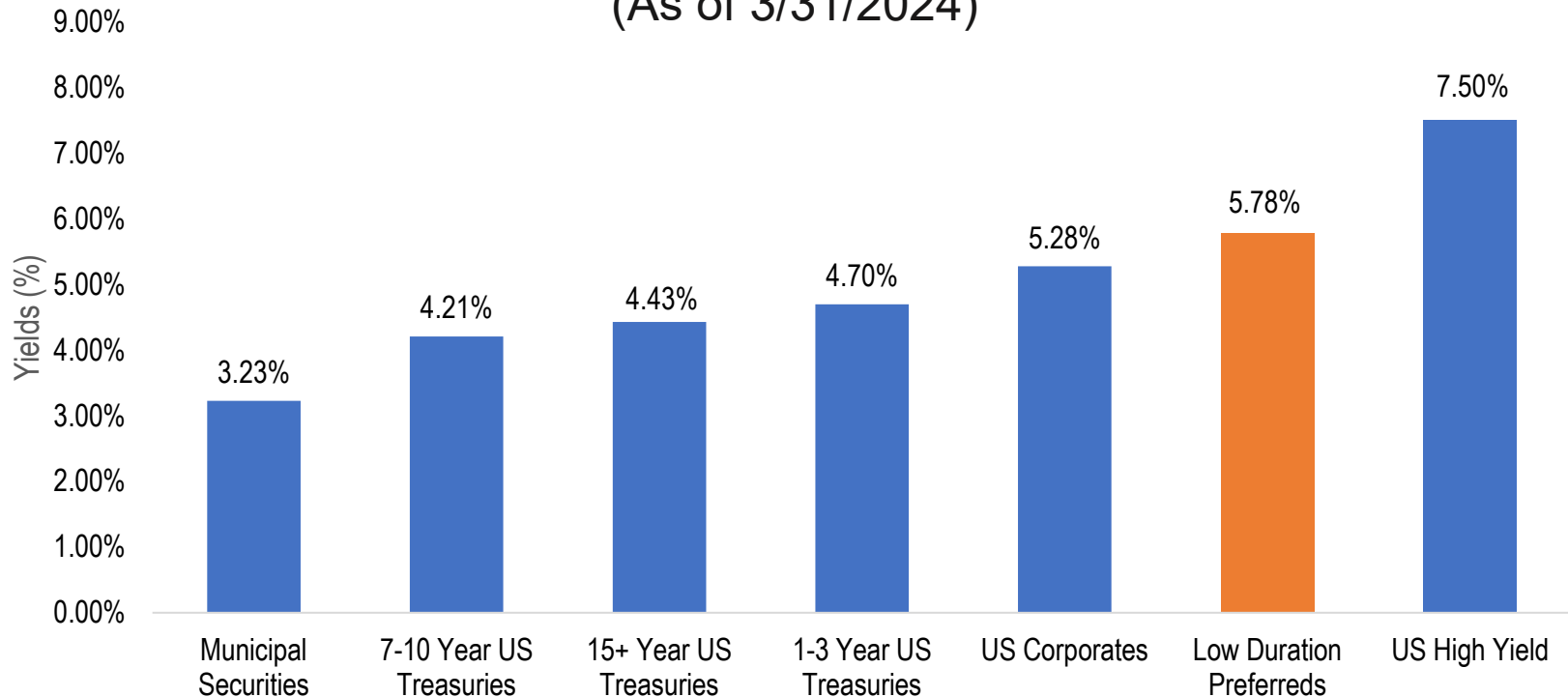
As of March 31, 2024. Performance for periods longer than one year is annualized.

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. Returns for performance under one year are cumulative, not annualized. For the most recent month end performance please visit the funds website at www.aamlive.com. Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.

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 only be acquired or redeemed from the fund in creation units. Brokerage commissions will reduce returns.

The Search For Yield

Effective Yields of Select Fixed Income Indices* (As of 3/31/2024)

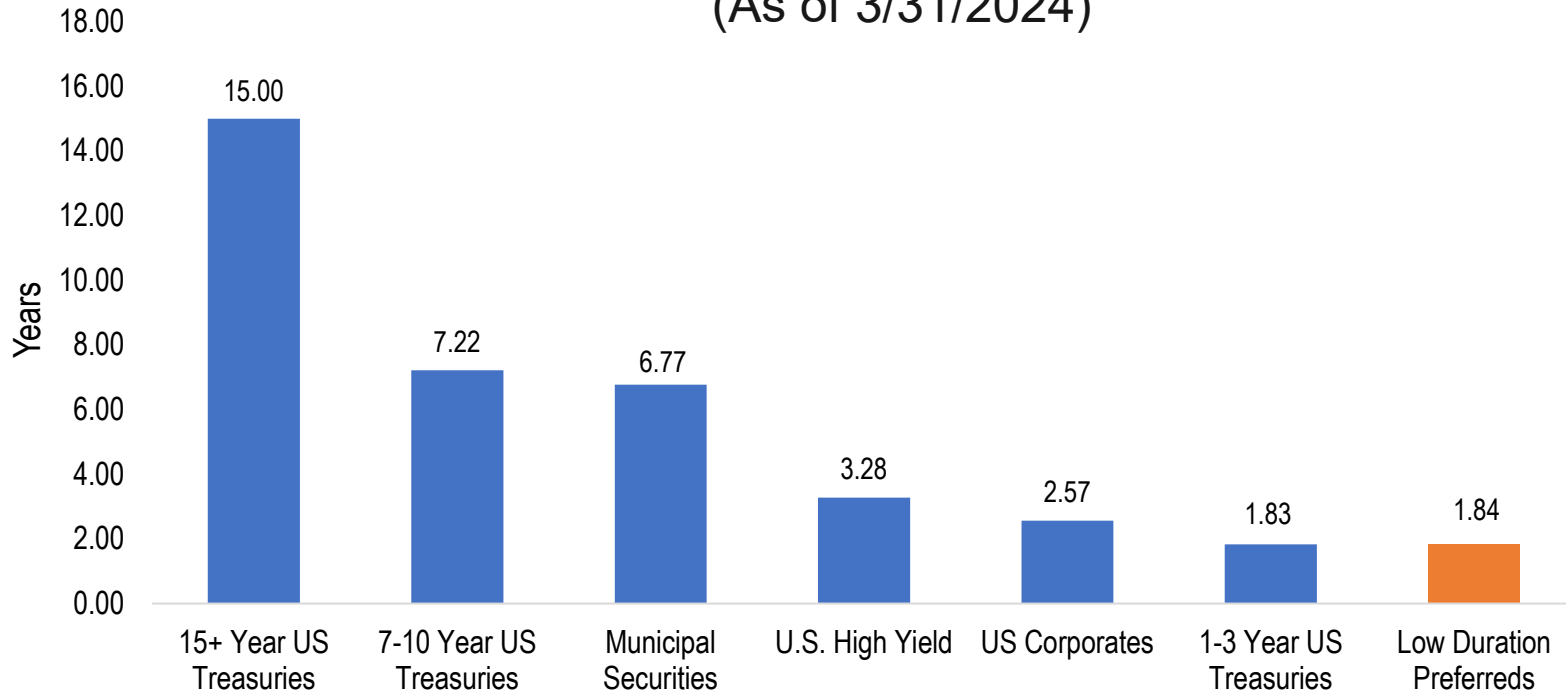


* Source: ICE Data Services. **Past performance is no guarantee of future results.**

Municipal securities represented by the ICE BofA US Municipal Securities Index (U0A0). 7-10 Year US Treasuries represented by the ICE BofA 7-10 Year US Treasury Index (G4O2). 15+ Year US Treasuries represented by the ICE BofA 15+ Year US Treasury Index (G8O2). 1-3 year US Treasuries represented by the ICE BofA 1-3 Year US Treasury Index (G1O2). US Corporates represented by the ICE BofA US Corporate Index (CVA0). Low Duration Preferreds represented by the ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD). US High Yield represented by the ICE BofA U.S. High-Yield Index (H0A0). For illustrative purposes only. It is not possible to invest directly in an index. Indices do not include cash. See Disclosures for index definitions.

Limiting Duration

Effective Durations of Select Fixed Income Indices* (As of 3/31/2024)

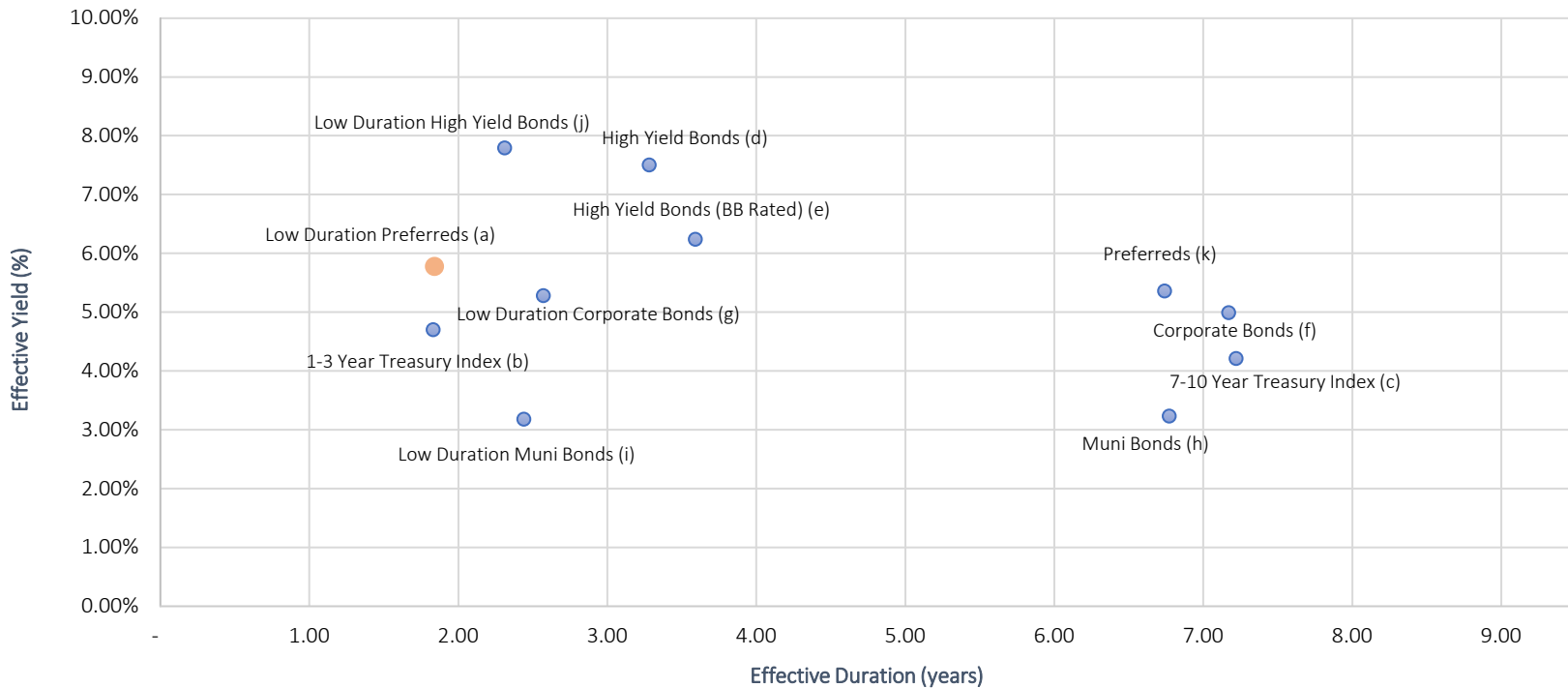


* Source: ICE Data Services. **Past performance is no guarantee of future results.**

Municipal securities represented by the ICE BofA US Municipal Securities Index (U0A0). 7-10 Year US Treasuries represented by the ICE BofA 7-10 Year US Treasury Index (G4O2). 15+ Year US Treasuries represented by the ICE BofA 15+ Year US Treasury Index (G8O2). 1-3 year US Treasuries represented by the ICE BofA 1-3 Year US Treasury Index (G1O2). US Corporates represented by the ICE BofA US Corporate Index (CVA0). Low Duration Preferreds represented by the ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD). US High Yield represented by the ICE BofA U.S. High-Yield Index (H0A0). For illustrative purposes only. It is not possible to invest directly in an index. Indices do not include cash. See Disclosures for index definitions.

High Yield and Low Duration

Yield & Duration Profile

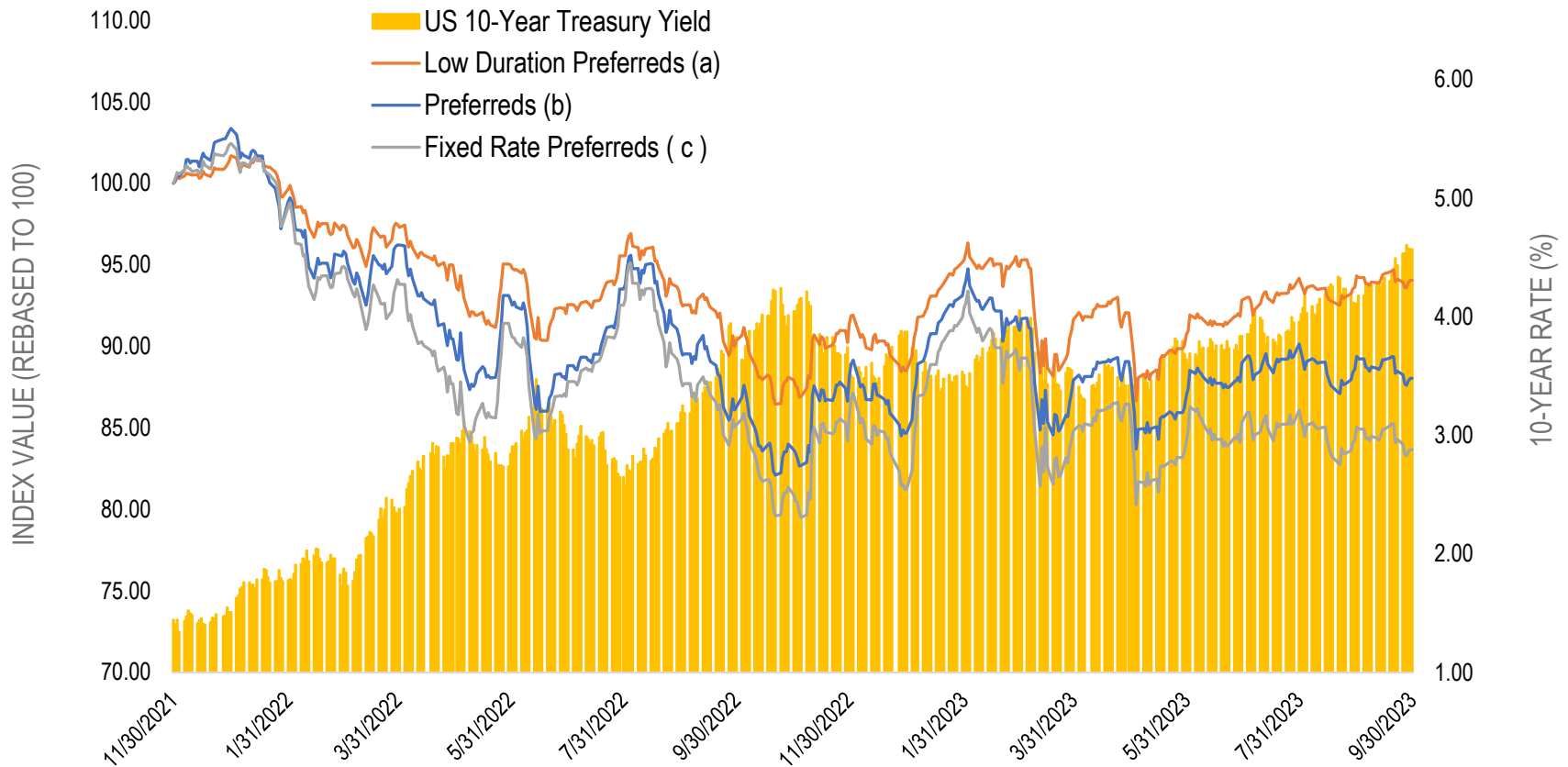


- (a) ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index
- (b) ICE BofA 1-3 Year US Treasury Index
- (c) ICE BofA 7-10 Year US Treasury Index
- (d) ICE BofA U.S. High-Yield Index
- (e) ICE BofA BB US High Yield Index
- (f) ICE BofA US Corporate Index

- (g) ICE BofA 1-5 Year US Corporate Index
- (h) ICE BofA US Municipal Securities Index
- (i) ICE BofA 1-5 Year US Municipal Securities Index
- (j) ICE BofA 1-5 Year US High Yield Constrained Index.
- (k) ICE BofA Core Plus Fixed Rate Preferred Securities Index

Low Duration Preferreds & Rising Rates

Performance of low duration preferreds during a period of rising interest rates
(11/30/2021 – 9/30/2023)

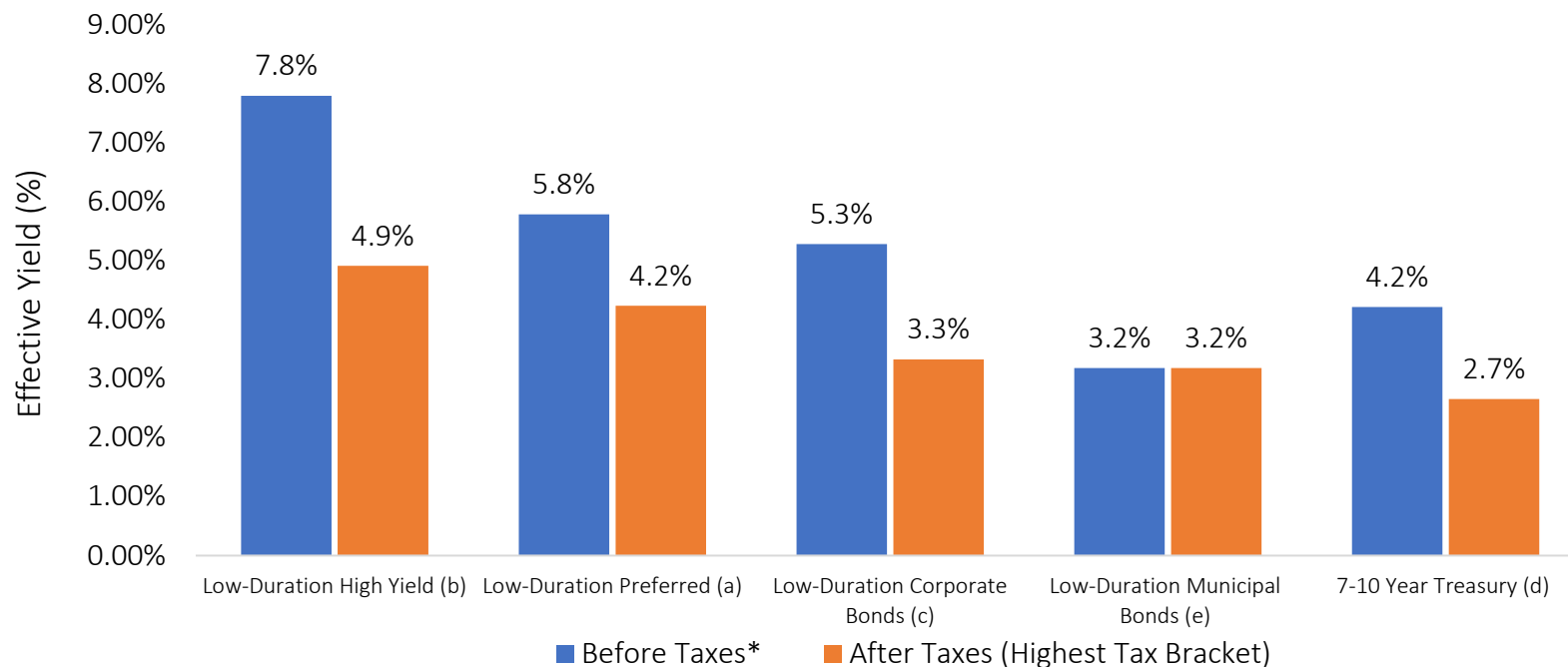


Source: ICE Data Services

Past performance is no guarantee of future results (a) ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD); (b) ICE Exchange-Listed Preferred & Hybrid Securities Index (PHGY); (c) ICE BofA Core Plus Fixed Rate Preferred Securities Index (P0P4). For illustrative purposes only. It is not possible to invest directly in an index. Indices do not include cash. See Disclosures for other index definitions.

Tax-Advantaged Low-Duration Income

Low Duration Fixed Income Yields*



* As of March 31, 2024. Source: ICE Data Services. Notes: Yields shown on an effective yield basis; Assumes 60% of the income paid on preferreds are QDI eligible which is taxed at 20% instead of the 2020 Ordinary Dividend Tax Rate of 37%. 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 advisor 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.

Past performance is no guarantee of future results. (a) ICE 0-5 Year Duration Exchange-Listed Preferred & Hybrid Securities Index (PHLD); (b) ICE BofA 1-5 Year US High Yield Constrained Index (HUCC); (c) ICE BofA 1-5 Year US Corporate Index (CVA0); (d) ICE BofA 7-10 Year US Treasury Index (G4O2); (e) ICE BofA 1-5 Year US Municipal Securities Index (UVA0). For illustrative purposes only. It is not possible to invest directly in an index. Indices do not include cash. See Disclosures for index definitions.

Key Takeaways

PFLD: The **ONLY** Low Duration Preferred ETF

The **AAM Low Duration Preferred & Income Securities ETF (PFLD)** is the **ONLY** ETF focused on low-duration preferred securities. Low-duration preferreds have historically offered higher yields than many other fixed income categories, including higher duration securities, while potentially providing additional portfolio diversification.

PFLD benefits include:

- **High current monthly income** potential
- Capital preservation through **reduced interest rate sensitivity**
- Potential for **portfolio diversification** given the **low correlation** of preferreds to traditional stocks and bonds
- Potential for **enhanced after-tax yield**

Disclosures

INDEX DEFINITIONS (Note: It is not possible to invest directly in an index. Indices do not include cash.)

ICE BofA Core Plus Fixed Rate Preferred Securities Index (POP4) tracks the performance of fixed rate US dollar denominated preferred securities issued in the US domestic market. **ICE BofA US High Yield Index (HOAO)** tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

ICE BofA US Municipal Securities Index (UOA0) tracks the performance of US dollar denominated investment grade tax-exempt debt publicly issued by US states and territories, and their political subdivisions, in the US domestic market.

ICE BofA 7-10 Year US Treasury Index (G402) is a subset of ICE BofA US Treasury Index including all securities with a remaining term to final maturity greater than or equal to 7 years and less than 10 years.

ICE BofA 15+ Year US Treasury Index (G802) is a subset of **ICE BofA US Treasury Index** including all securities with a remaining term to final maturity greater than or equal to 15 years.

ICE BofA 1-3 Year US Treasury Index (G102) is a subset of ICE BofA US Treasury Index including all securities with a remaining term to final maturity less than 3 years.

ICE BofA 1-5 Year US Corporate Index (CVA0) is a subset of ICE BofA US Corporate Index including all securities with a remaining term to final maturity less than 5 years.

ICE BofA BB US High Yield Index (HOA1) is a subset of ICE BofA US High Yield Index including all securities rated BB1 through BB3, inclusive.

ICE BofA US Corporate Index (COA0) tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market.

ICE BofA 1-5 Year US Municipal Securities Index (UVA0) is a subset of ICE BofA US Municipal Securities Index including all securities with a remaining term to final maturity less than 5 years.

ICE BofA 1-5 Year US High Yield Constrained Index (HUCC) tracks the performance of short-term US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

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").

DEFINITIONS:

Preferred securities: A type of investment that generally offers higher yields than traditional fixed income securities, such as U.S. Treasury securities or investment-grade corporate bonds. **Duration:** 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. **Yield:** The income earned from an investment, most often in the form of interest or dividend payments.

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Past performance does not guarantee future results. It is not possible to invest directly in an index.

The Funds' 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. Read it carefully before investing.

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. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are greater for emerging markets investments. Investments in mid-cap companies may involve less liquidity and greater volatility than larger companies. 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.

Nothing contained herein constitutes investment, legal, tax or other advice. This should not be construed as a solicitation.

Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

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