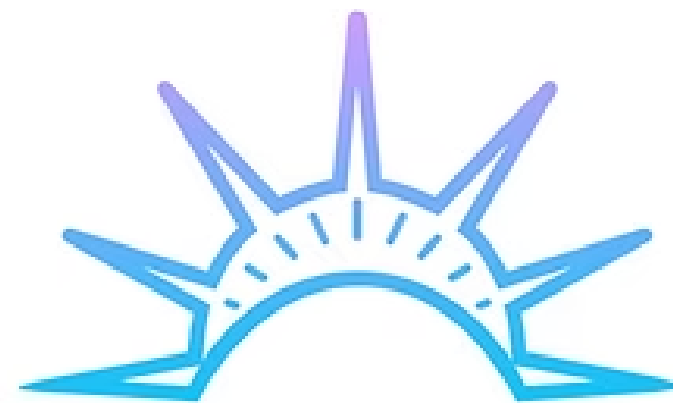


**THE FREEDOM 100**  
**EMERGING MARKETS ETF**  
**(FRDM)**



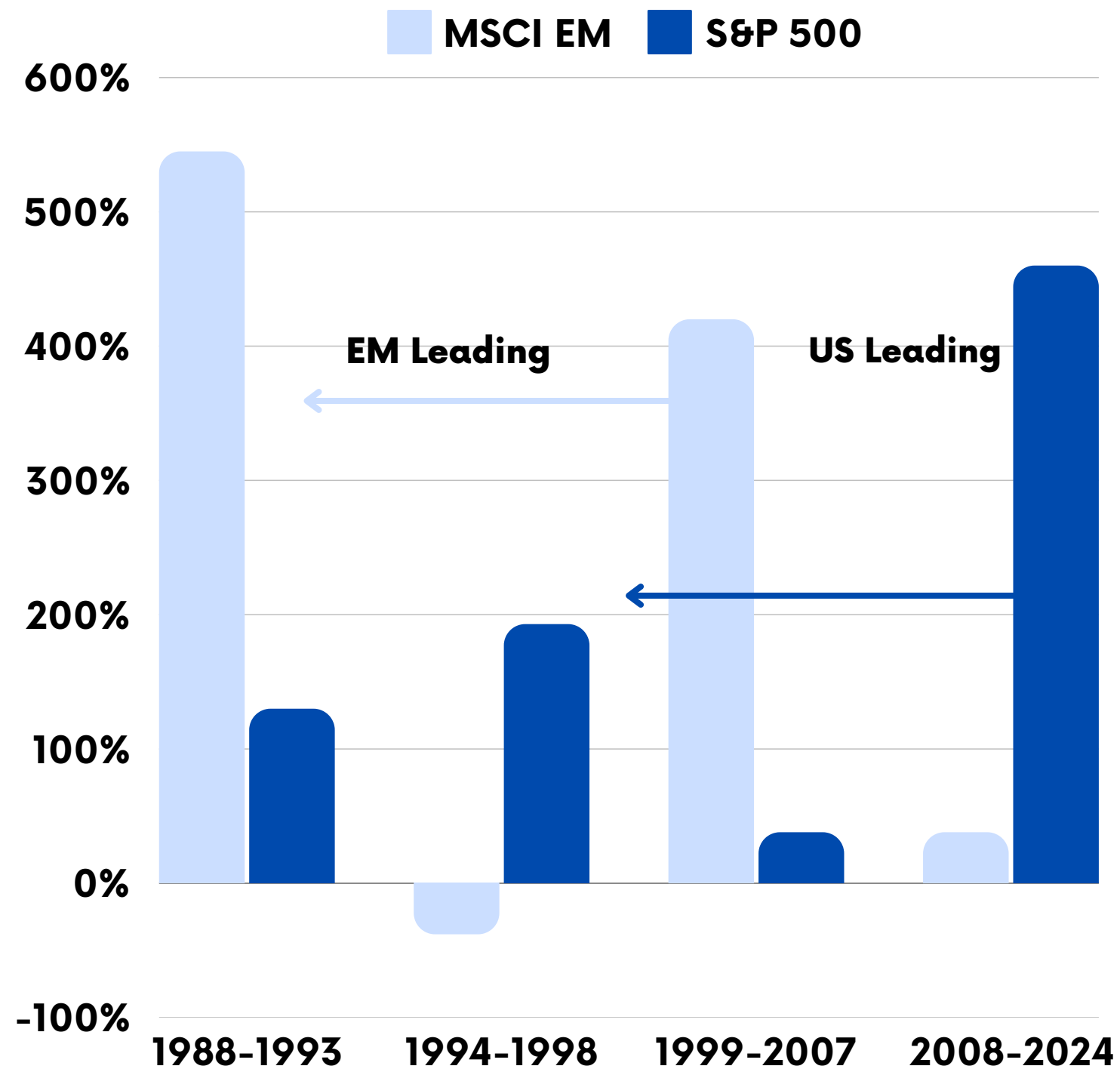
[freedometfs.com](https://freedometfs.com)

# The Emerging Markets Landscape

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# Cyclical Shifts: EM vs. US



**Over the last few decades, Emerging Markets stocks and U.S. Stocks demonstrated significant cyclical shifts in performance.** EM stocks led in the late 1980s and early 1990s and from 1999 to 2007. Then, since the GFC in 2008, the S&P 500 Index dominated with a 460% gain compared to a 38% gain in the MSCI Emerging Markets Index.\*

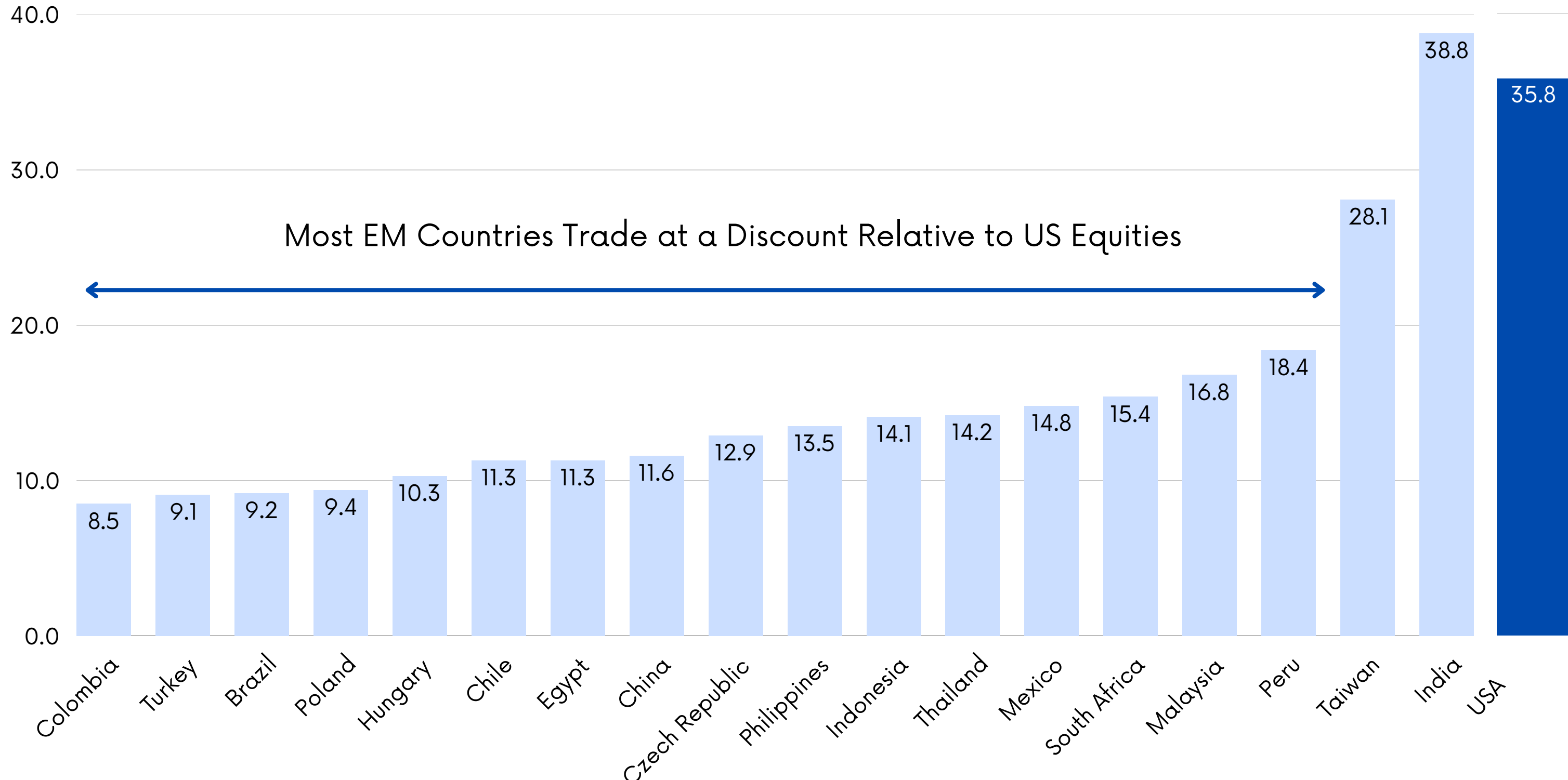
\*S&P 500 Index and MSCI Emerging Markets Index (gross total return) 1/1/1988 to 12/31/2024



# Valuation Gap: EM vs. US

Significant valuation discount in EM

### CAPE Ratios (as of Q4 2024)



Source: 4Q24 Global Valuations, The Idea Farm, January 08, 2025



# The Emerging Markets Challenge

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# Autocracy Drag - an EM Problem

**The high cost of low freedom:** poor returns and increased risk in constrained markets

## Case Study #1: Russia

Once accounting for 10% of index, Russia's weight had fallen to less than 2% by the time it was removed from the MSCI EM Index.



Source: From Crisis to Crisis: Russia's Diminished Role in Emerging Markets, MSCI

## Case Study #2: China

While China has become a large EM economy, long-term returns to investors have been muted and volatility has been high.

	<b>Annual Returns</b>	<b>Sharpe Ratio</b>	<b>Max Drawdown</b>
China	1.01%	0.10	-88.63%
Emerging Markets	6.59%	0.28	-65.14%

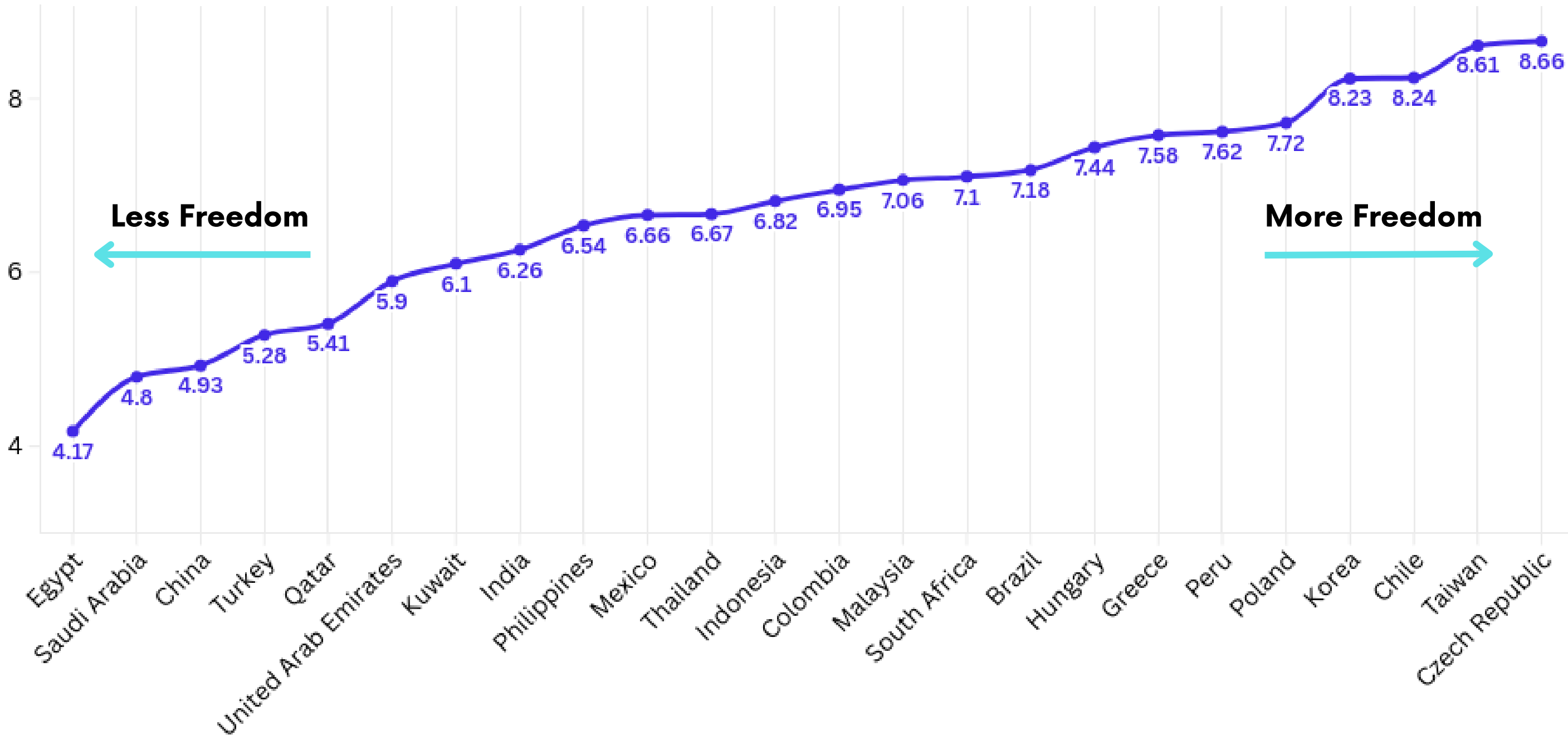
Risk and returns stats from 12/31/1992 - 12/31/2024  
Source: MSCI China Index Fact Sheet as of 12/31/2024



# High Divergence in EM Freedom Levels

Freedom levels vary significantly across emerging markets

**Select Emerging Market Human Freedom (Personal + Economic) Scores**



Source: The Human Freedom Index 2024  
<https://www.cato.org/human-freedom-index/2024>

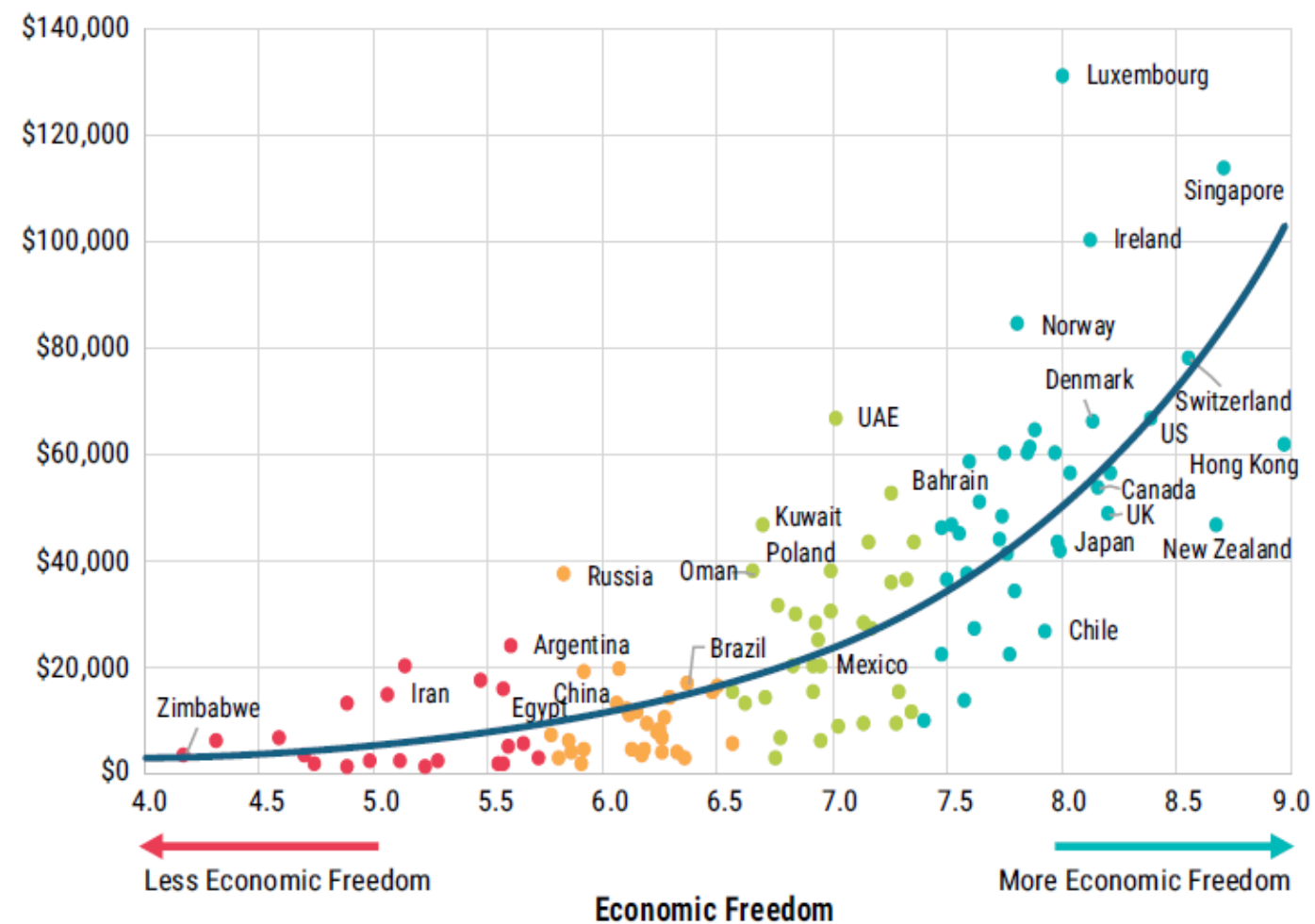




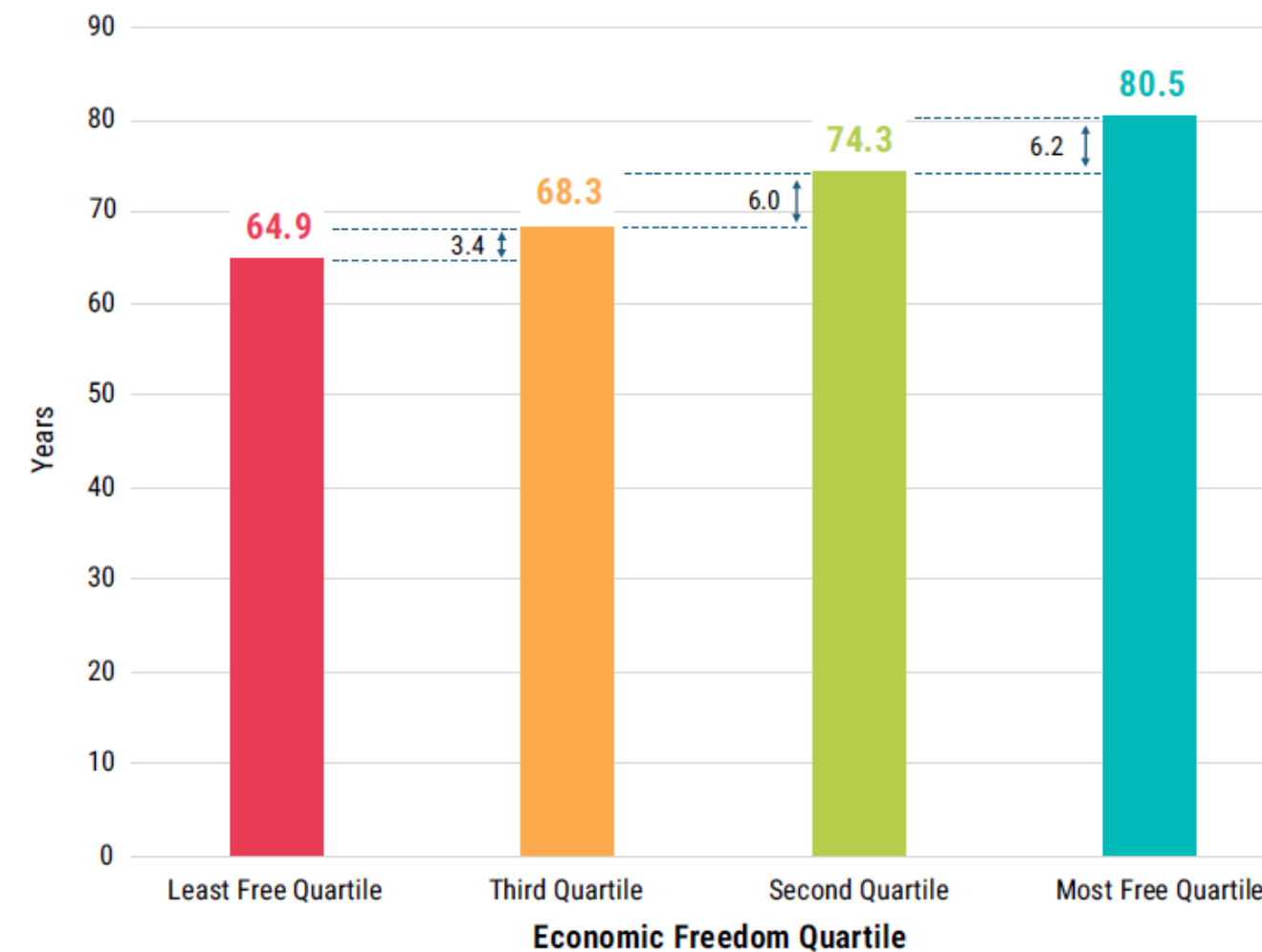
# Benefits of Freedom

Countries with higher degrees of freedom experience many socioeconomic benefits

### Economic Freedom and Income Per Capita



### Economic Freedom and Life Expectancy



**Higher:** Income Per Capita | Life Expectancy | Life Satisfaction | Literacy Levels | Gender Equality | Environmental Stewardship

**Lower:** Infant Mortality | Extreme Poverty | Organized Conflict | Corruption



Source: Economic Freedom of the World, 2024 Annual Report. Fraser Institute.  
<https://www.fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>

# The FRDM Solution

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# Freedom-Weighted EM Equity



**The Freedom 100 Emerging Markets ETF (FRDM)** is created for investors who wish to express a preference for freer countries and avoid autocracies in their EM equity allocations. The freedom-weighting process uses independent third-party quantitative personal and economic freedom metrics as primary factors in country selection and allocations, providing investors with significantly freer country exposures than cap-weighted EM benchmarks.

Our research and out-of-sample experience indicate that freer countries experience:

- **More sustainable growth**
- **Faster recoveries**
- **More efficient use of capital**

Countries with stronger institutions, rule of law, and property rights can be launchpads for growth in the EM space.

A review of over 700 academic studies shows that over 50% link economic freedom to positive outcomes such as faster growth, higher incomes, and improved social indicators\*

\*Source: Economic Freedom in the Literature: What Is It Good (Bad) For?, Robert Lawson, August 18, 2022  
<https://www.fraserinstitute.org/studies/economic-freedom-literature-what-it-good-bad>



# Inputs - Quantitative Freedom Variables

Sample selection of 86 personal and economic freedom variables evaluated in the country scoring process\*

## Civil Freedoms

- Violent conflict
- Internal organized crime
- Terrorism
- Disappearances
- Detainment
- Torture
- Women's freedoms

## Political Freedoms

- Rule of law
- Due process
- Judicial independence
- Plurality of political parties
- Corruption and transparency
- Freedom of movement
- Freedom of expression
- Freedom of religion
- Freedom of the press
- Freedom of assembly
- Freedom of association
- Internet freedom

## Economic Freedoms

- Size of government (Consumption, transfers, subsidies, tax rates)
- Legal System and Property Rights (legal enforcement of contracts, property rights)
- Sound Money (money growth, inflation, freedom to own foreign accounts)
- Freedom to Trade Internationally (Tariffs, trade barriers, FX rates, capital controls)
- Regulation (Credit market, labor market, business)

\*Human Freedom Index and Data Set provided by the Cato Institute and Fraser Institute



# Investment Process

## Initial Universe

The starting universe has 24 emerging markets countries.

## Country Level: Market Capitalization Screen (Eligible Universe)

For tradability purposes, minimum country-level market capitalization requirements must be met for inclusion.

## Country Level: Freedom Weighting

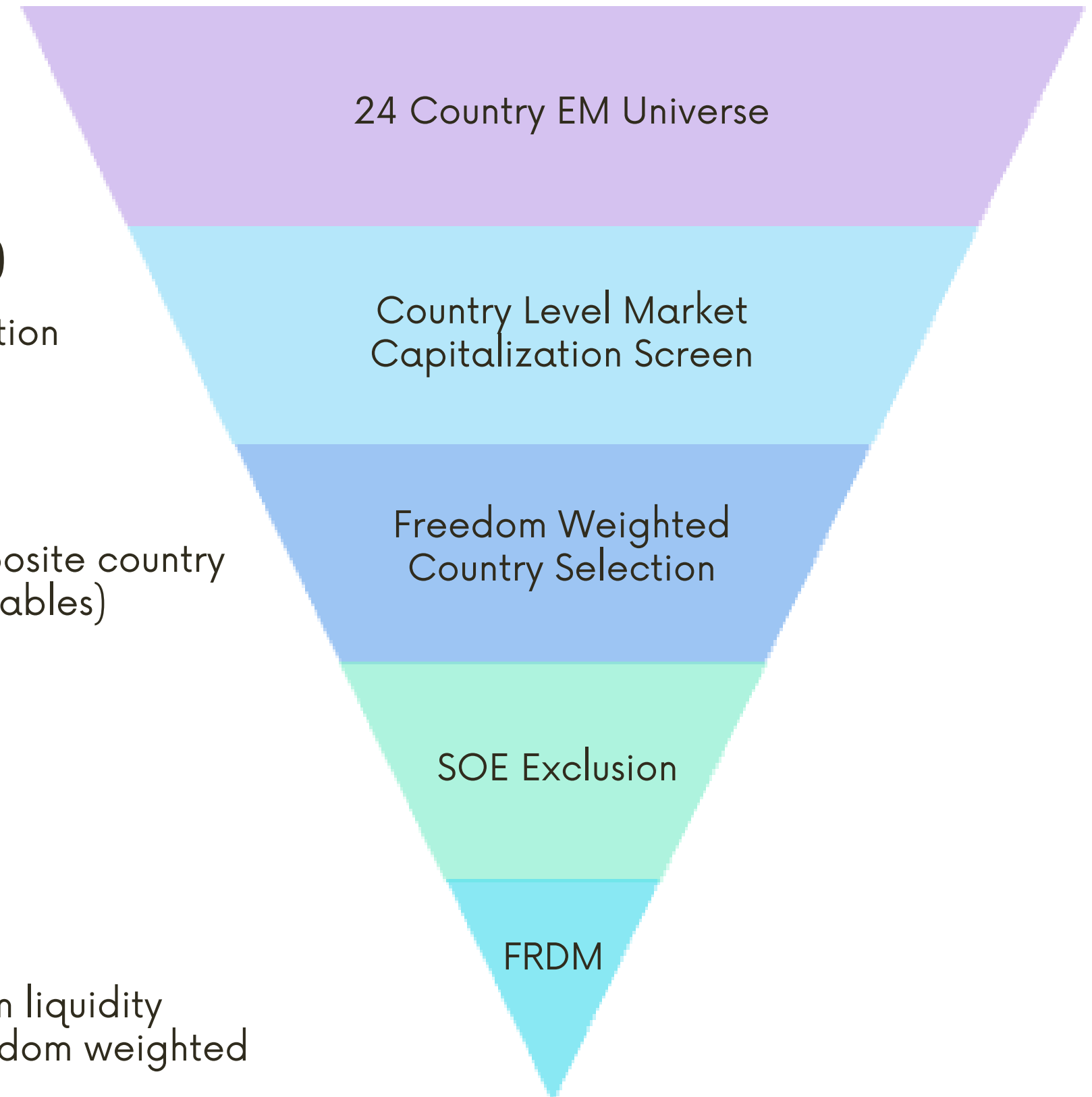
Freedom weighting is applied using third-party quantitative composite country scores (a combination of 86 personal and economic freedom variables) provided by the Fraser Institute and Cato Institute.

## Security Level: Exclude State Owned Enterprises

Companies with 20% or more state ownership are excluded.

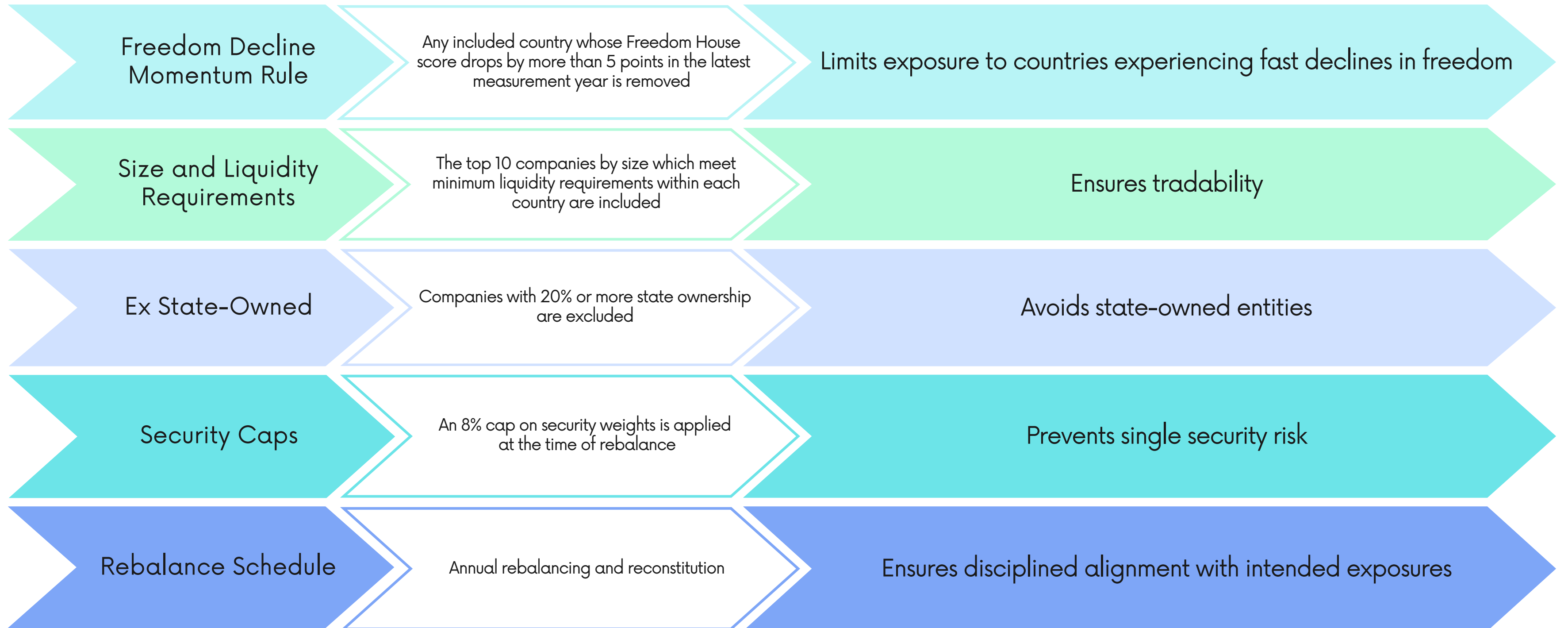
## Security Level: Final Selection and Weighting

The top 10 securities in each included country which meet minimum liquidity requirements are market capitalization weighted within their freedom weighted country weights.



# Risk Management

Strategic exclusions, adjustments, and rebalancing measures

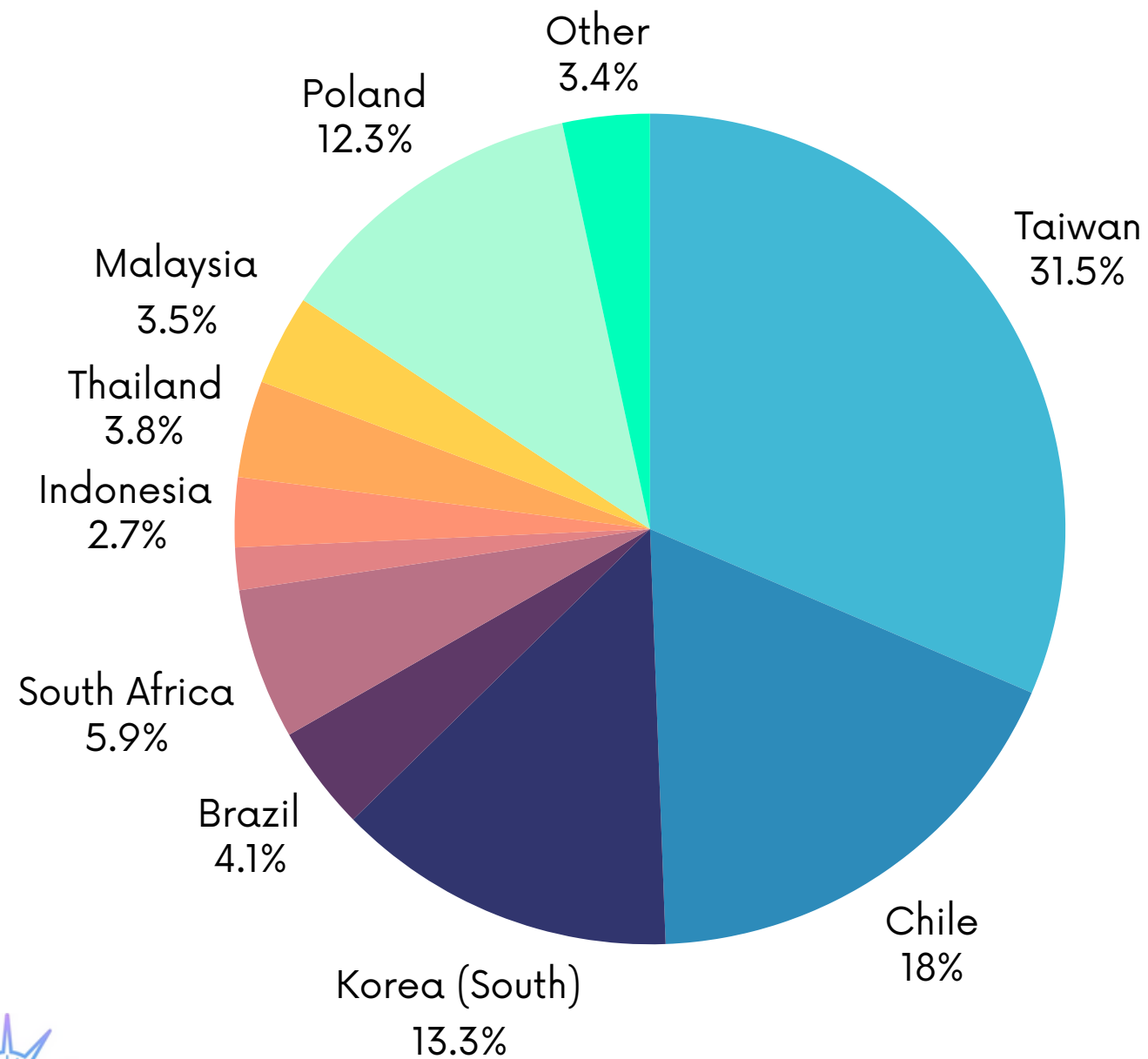




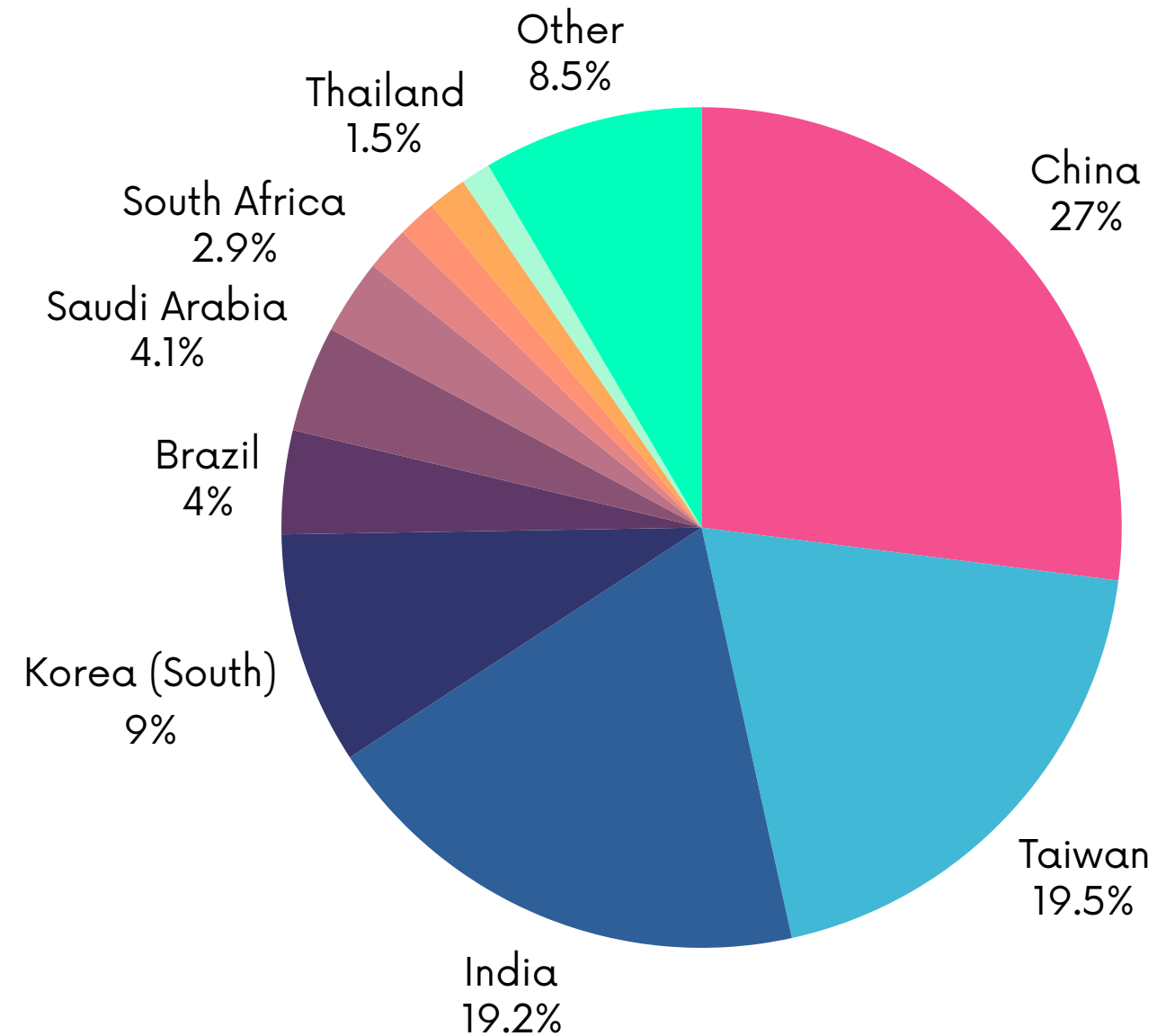
# Results: Freedom-Weight vs. Cap-Weight EM

Comparing the Freedom 100 EM Index to traditional EM Indexes' country allocations. As of 12/31/2024

## Freedom 100 EM ETF



## MSCI Emerging Markets ETF



FRDM overweights the freest countries like **Taiwan, Chile,** and **Poland,** and excludes the least free countries like China and Saudi Arabia.

Traditional cap-weight EM indices overweight countries like **China** and **Saudi Arabia,** failing to account for the freedom factor.



# Fund Facts

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As of 12/31/2024



# FRDM

## Country Weighting Scheme

Freedom Weighted

## Number of Countries

11

## Security Weighting Scheme

Market Cap Weighted

## Largest Country

Taiwan

## Top Sector

Information Technology

## % of Holdings in Top 10

43.8%

## Top Position

Taiwan Semi (TSM)

## Top Position Weight

12.8%



# Fund Facts (continued)

As of 12/31/2024



**# of Holdings**

113 Stocks

**AUM**

\$868M

**Daily Volume (3 month)**

134K shares

**Rebalancing Frequency**

Annual

**Shares Outstanding**

23.5M

**Expense Ratio**

0.49%

**Inception Date**

5/23/2019

**Active Share**  
vs MSCI EM

85.6%

**Listing Exchange**

Cboe

**Dividend Yield**

2.5%

**Distribution Frequency**

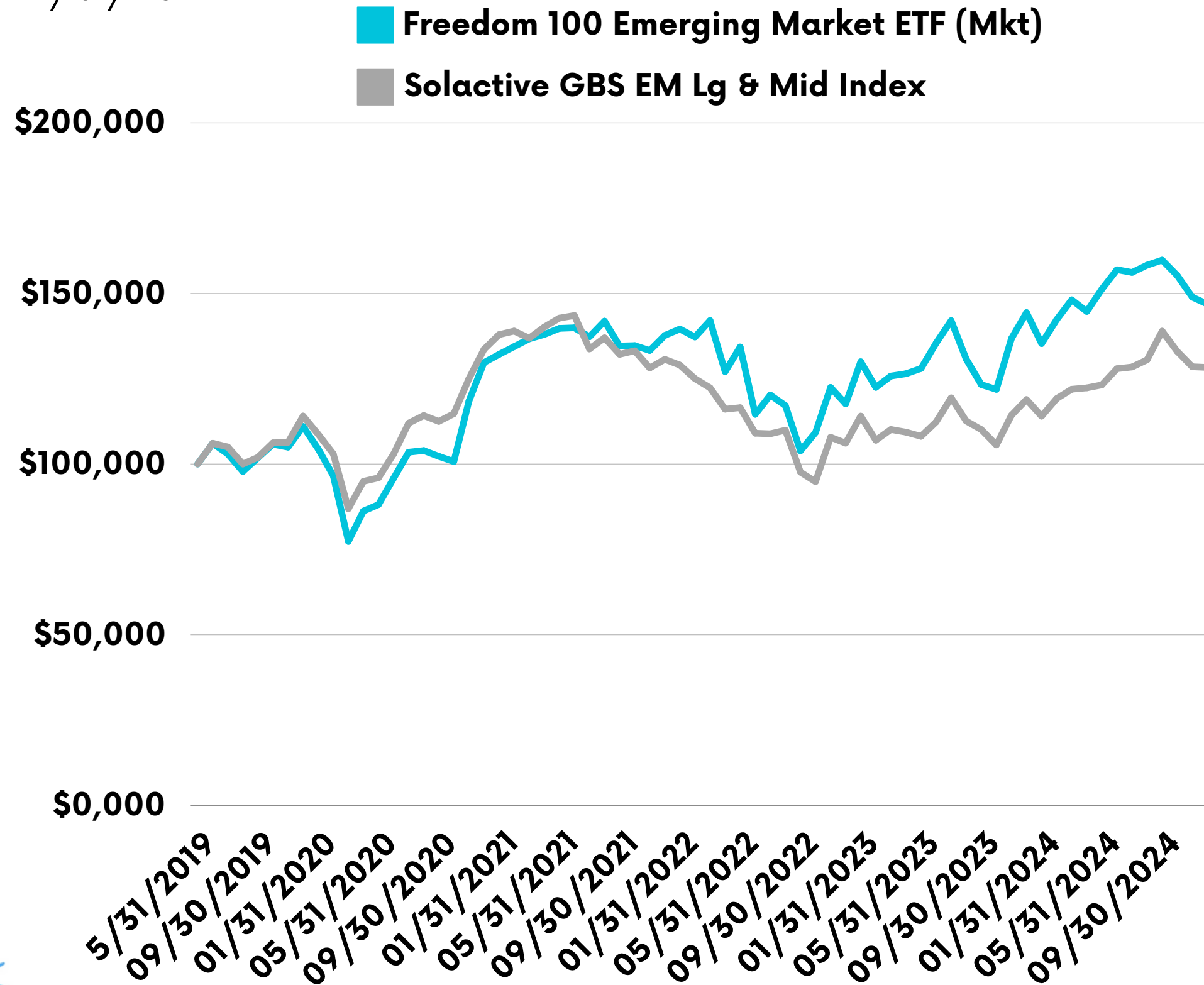
Quarterly

**Annual Turnover**

15%-20%

# Performance

As of 12/31/2024



	1 Yr	3 Yr Annualized	5 Yr Annualized
<b>FRDM ETF (Mkt)</b>	1.72%	2.19%	5.77%
<b>FRDM ETF (NAV)</b>	2.52%	2.36%	6.09%
<b>GBS EM Lg &amp; Mid Index</b>	7.93%	-0.61%	2.38%

GBS EM Lg & Mid Index: Solactive GBS Emerging Markets Large & Mid Cap USD Index TR

**See Notes and Disclosures**



# Risk and Return Characteristics

As of 12/31/2024

	<b>FRDM</b>	<b>EM Benchmark</b>
Ann. Since Inception (NAV)	7.46%	4.54%
Ann. Since Inception (MKT)	7.23%	n/a
Alpha (annualized)	2.84%	0.00%
Standard Deviation (annualized)	22.19%	17.61%
Beta	1.12	1.00
Benchmark Correlation	0.89	1.00
Sharpe Ratio	0.27	0.15
Tracking Error	10.51%	n/a
Upside Capture (%)	110.1	100
Downside Capture (%)	98.8	100
Positive Periods (monthly)	59%	56%

Annualized returns since inception reflect performance from the fund's inception on 5/22/2019. All other performance statistics are calculated from 7/1/2019 through 12/31/2024, benchmarked against the Solactive GBS Emerging Markets Large & Mid Cap USD Index TR.

**See Notes and Disclosures**



# About Us

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# Founder

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Perth Tolle is the founder of Life + Liberty Indexes and creator of the **Freedom 100 EM Index and ETF (FRDM)**. Prior to forming Life + Liberty Indexes, Perth was a private wealth advisor at Fidelity Investments in Los Angeles and Houston. Before joining Fidelity, Perth lived and worked in Beijing and Hong Kong, where her observations led her to explore the relationship between freedom and markets.

Perth is a frequent speaker at investment industry events and provides commentary for various financial media including Barron's, Bloomberg, Cheddar, CNBC, CNN, Forbes, Fox Business, Institutional Investor, MarketWatch, Morningstar, Pensions & Investments, and the Wall Street Journal.

Perth was named one of the Ten to Watch in 2020 by Wealth Management Magazine and one of the 100 People Transforming Business by Business Insider in 2021.





# Milestones

Freedom 100 EM Index (FRDM Index) incepted and published

2017

Launch of the The Freedom 100 Emerging Markets ETF (ticker: FRDM)

2019

FRDM Index named 2019 Index of the Year and FRDM ETF named 2019 Best New International ETF by ETF.com

2020

FRDM ETF reaches \$100M AUM

2021

FRDM ETF reaches \$500M AUM

2023

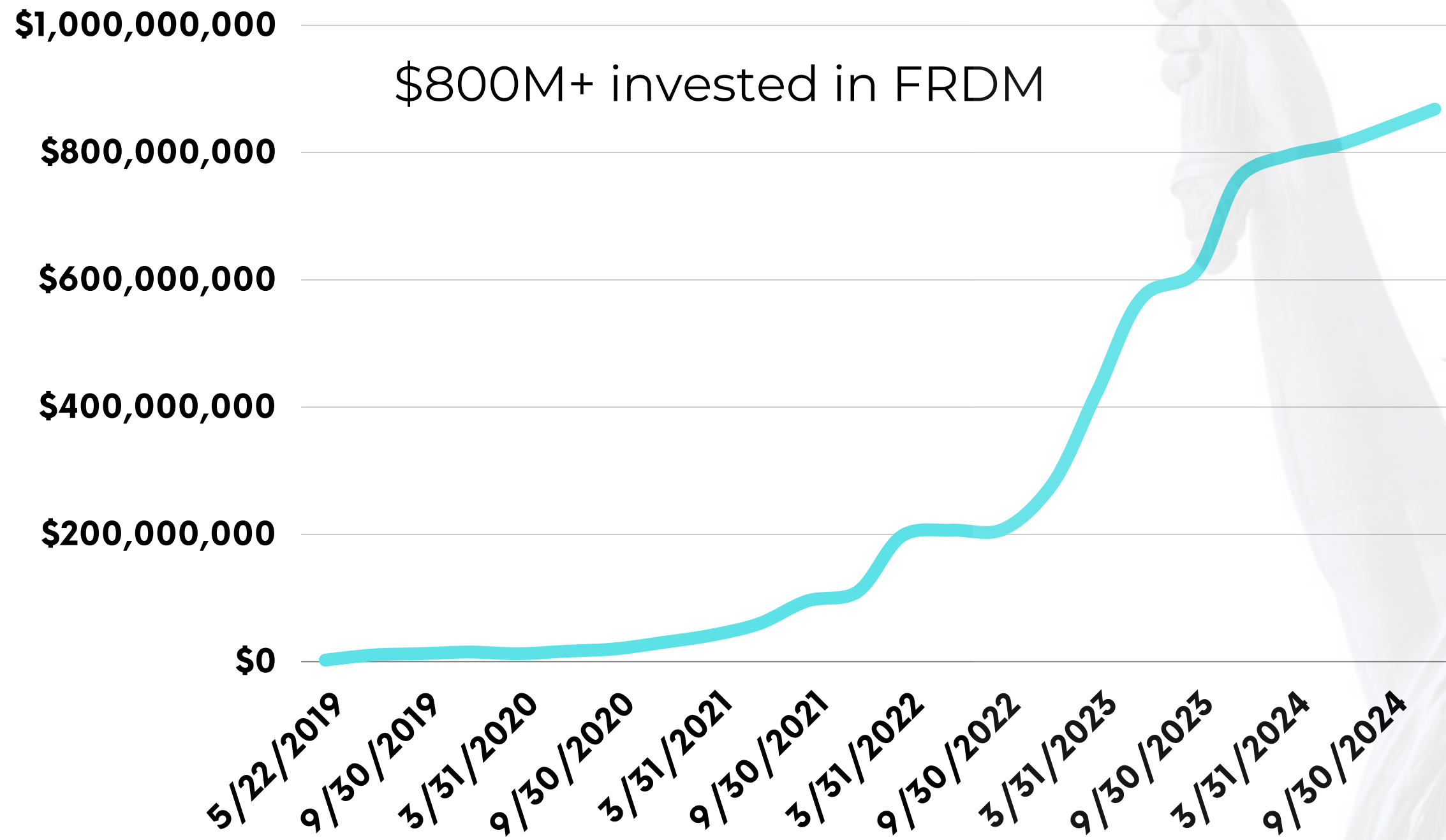
FRDM ETF reaches 5 year anniversary and \$800M AUM

2024



# The Growth of Freedom Investing

As of 12/31/2024



Source: <https://freedometfs.com/frdm> - AUM History Download



# Notes & Disclosures

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# Notes & Disclosures

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## General Risks and Investment Considerations

Investment in the Freedom 100 Emerging Markets ETF (FRDM) involve risk, including the possible loss of principal. Emerging markets are often more volatile and less liquid than developed markets, which may result in greater price fluctuations. International investments may also involve additional risks, including political and economic instability, currency fluctuations, and differences in accounting standards.

## Performance Information

**Past performance is not a guarantee of future results.** Performance data quoted represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate, and an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month-end may be obtained by visiting [www.freedometfs.com](http://www.freedometfs.com) or contacting the fund advisor.

## Index and Benchmark Information

The FRDM ETF tracks the Freedom 100 Emerging Markets Index, which uses a proprietary freedom-weighting methodology. Indexes are not actively managed and investors cannot directly invest in an index. Index performance does not reflect charges or expenses associated with trading costs or management expenses.

## Holdings Information

Holdings are subject to change and may not be representative of current or future investments. Holdings are subject to risk.

## Regulatory Disclosures

**The Freedom 100 Emerging Markets ETF is distributed by Quasar Distributors, LLC. This document is not an offer to sell or a solicitation to buy any security or investment product. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Click here for the [FRDM Prospectus](#), and [Summary Prospectus](#). All fund documents and additional information can be found on the [Fund Site](#).**

**Offers are made by prospectus only, which can be obtained from the ETF's issuer. Please read the prospectus carefully before investing.**

## Additional Considerations

Freedom scores, which influence the fund's country weightings, are determined by third-party sources and are subject to change. There is no guarantee that countries scoring higher in personal and economic freedoms will produce superior returns or have less risk than lower scoring countries.

# Notes & Disclosures (continued)

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## Definitions

**Annual Returns:** The percentage gain or loss in value of an investment over a year, calculated by comparing the closing price of the ETF at the end of the year to its price at the beginning.

**Sharpe Ratio:** A measure of risk-adjusted return, calculated by subtracting the risk-free rate from the ETF's returns and then dividing by the standard deviation of those returns. A higher Sharpe Ratio suggests better risk-adjusted returns.

**Max Drawdown:** The largest peak-to-trough decline in the value of the ETF over a specified time period, expressed as a percentage. It indicates the maximum loss an investor would have experienced during a period of market decline.

**Alpha:** The excess return of the ETF compared to a benchmark index, adjusted for risk. Positive alpha indicates outperformance relative to the benchmark, while negative alpha shows underperformance.

**Standard Deviation:** A measure of the ETF's return volatility over time, with higher values indicating greater variability in returns.

**Beta:** The ETF's volatility relative to the market. A beta of 1 indicates that the ETF moves in line with the market; a beta greater than 1 means the ETF is more volatile than the market, and less than 1 indicates lower volatility.

**Tracking Error:** The difference between the performance of the ETF and its benchmark index, indicating how closely the ETF follows its benchmark. Lower tracking error suggests closer alignment with the benchmark.

**Upside Capture:** A measure of how much the ETF captures of the market's positive returns. A value above 100 indicates that the ETF outperforms the market in up periods.

**Downside Capture:** A measure of how much the ETF captures of the market's negative returns. A value below 100 indicates the ETF declines less than the market during down periods.

**Positive Periods (monthly):** The percentage of months in which the ETF experienced positive returns, reflecting its consistency in generating positive performance.

