

Clough Select Equity ETF (Ticker: CBSE)

Clough Hedged Equity ETF (Ticker: CBLS)



Clough ETFs Performance Review

The first quarter of 2025 marked a notable shift in market dynamics, with the S&P 500 Index falling 4.3%, its sharpest quarterly decline since Q3 2022¹.

The selloff was fueled by investor concerns over the Trump administration's aggressive trade policies, including broad tariffs that reignited fears of stagflation and recession.

Unlike prior periods when technology and growth stocks led the market, Q1 saw these sectors lag, with information technology down 12.7% and consumer discretionary off 13.8%. Meanwhile, defensive sectors outperformed: energy rose 10.2%, healthcare gained 6.5%, consumer staples climbed 5.2%, and utilities added 4.9%¹.

The bond market offered some stability, with the 10-year U.S. Treasury yield easing to 4.2% from 4.6% and gold prices appreciating 19% as investors sought safe-haven assets. Despite the challenging backdrop, corporate earnings were resilient, with most S&P 500 Index companies beating expectations, although the overall Q1 earnings growth forecast was revised down from 12.2% to 8.1%².

In this volatile and uneven environment, Clough Capital's Hedged Equity ETF (Ticker: CBLS) performed well, finishing the quarter essentially flat. This preservation of capital, following a year of outperformance as market's moved materially higher in 2024, reflects the team's ability to adapt portfolio positioning within an evolving landscape. This maneuvering was enabled by the strategies inherently flexible mandate and hedging capabilities.

The Clough Select Equity ETF (Ticker: CBSE), a fully invested long-only strategy, outperformed long-only indices such as the S&P 500 Index, Russell 2000 Index, and MSCI ACWI Index and its Morningstar peer group in 2024, but posted declines in Q1 a result of its long-only mandate and several negative idiosyncratic outcomes.



¹Source: Bloomberg as of 3/31/2025

²Source: Reuters as of 4/22/2025



The Clough Select Equity ETF

finished the first quarter down -9.57% on a net asset value ("NAV") basis⁺, placing CBSE's performance 5.85% behind the Morningstar Global Small/Mid Stock

Category Average return of -3.72% over the same period⁺⁺.

For the one-year trailing period, CBSE was up +8.33% on a NAV basis. This annual performance exceeded the Morningstar Category by ~12% and exceeded its World All-Cap Index benchmark by ~6%.

During the quarter, sector and geographic performance was mixed. Strength was concentrated in alternative energy, financials, and select technology holdings, with notable positive contributions from companies like Oklo Inc. (nuclear energy) and financial names such as Fannie Mae and Freddie Mac. Emerging markets exposure, particularly through select Chinese and Indian equities, also aided performance. Conversely, detractors were concentrated in the technology sector, where holdings like Marvell Technology, Aehr Test Systems, and Coinbase Global struggled amid broader concerns about valuations and slowing growth trends. Industrial and consumer sectors faced headwinds as well, with companies exposed to capital-intensive or discretionary spending areas underperforming during the period.

⁺Clough Select Equity ETF (the "ETF") Inception: 11/13/20. Performance represents past performance and does not guarantee future results. Investment returns and the principal value of an investment will fluctuate so that 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 data quoted. Current performance as of the most recent month end is available by calling 855-393-0559. NAV returns are based on the ETF's net asset value, which represents the market value of the ETF's underlying investments minus liabilities divided by the ETF's outstanding shares.

⁺⁺Morningstar Category Averages are designed to represent the average return of funds within their category over time. Morningstar Category Averages are equal-weighted category returns. The calculation is simply the average of the returns for all the funds in a given category. The standard average calculation is based on constituents of the category at the end of the period.

Top three contributors in Q1 2025

Oklo Inc. (OKLO) is a nuclear energy technology company specializing in advanced fission reactors. Oklo's stock performed well in early 2025 following optimism around clean energy initiatives and strong investor interest in next-generation nuclear solutions. Momentum was further fueled by new government incentives for alternative energy projects and a series of strategic partnerships that bolstered confidence in Oklo's long-

term growth potential.

Federal National Mortgage Association (FNMA), commonly known as Fannie Mae, operates as a government-sponsored enterprise ("GSE") supporting liquidity in the U.S. mortgage market. FNMA's stock advanced during the first quarter of 2025, benefiting from stronger-than-expected housing demand, stabilizing interest rates, and investor speculation about favorable outcomes related to GSE reform efforts. Improving credit quality metrics across its mortgage portfolio also contributed to positive sentiment.

Federal Home Loan Mortgage Corporation (FMCC), known as Freddie Mac, similarly provides liquidity to the housing market by purchasing mortgages from lenders. FMCC shares rose in the first quarter of 2025, supported by resilience in the U.S. housing market, better-than-anticipated earnings, and growing investor optimism about potential policy changes aimed at enhancing the capital positions of GSEs. Continued demand for agency-backed securities also provided a tailwind for Freddie Mac's valuation.

Top three detractors in Q1 2025

Humacyte, Inc. (HUMA) is a biotechnology company focused on developing bioengineered human tissues for use in regenerative medicine. HUMA's stock declined during the first quarter of 2025 as clinical trial updates for its vascular graft products fell short of investor expectations. In addition, concerns about extended timelines to commercialization and the company's need for additional funding weighed on sentiment.

Venture Global Inc. (VG) is a privately held liquefied natural gas (LNG) exporter with long-term contracts to supply LNG globally. Holdings tied to Venture Global detracted from performance during the quarter due to ongoing legal disputes with key customers over contract pricing terms, raising concerns about future revenue visibility. Broader weakness in global LNG pricing also pressured sentiment around related assets.

Coinbase Global Inc. (COIN) is a cryptocurrency exchange platform. COIN's stock faced continued volatility in early 2025 amid persistent regulatory challenges, including an ongoing SEC lawsuit, and broader weakness in cryptocurrency trading volumes. Investor concerns about Coinbase's heavy reliance on the U.S. market for revenue further pressured the stock during the period.



The Clough Hedged Equity ETF

finished the first quarter -0.04% on a NAV basis⁺, which outpaced the strategy's World All-Cap Index benchmark which was down -1.75% for the same period and its secondary benchmark (World All-Cap/UST 0-1 Yr 50/50 Index) which returned -0.40% for the same period. The ETF outperformed its Morningstar Equity Hedged Category by 1.98% during the quarter⁺⁺.

For the trailing one year, CBLS was up 14.82% on a NAV basis, exceeding the Morningstar Category by 9.77%, and exceeding its World All-Cap Index benchmark by 12.11% and exceeding the S&P 500 Index by 6.59%. The ETF delivered 113% of the S&P 500 Index returns in 2024 despite an average net exposure during the year of just ~60%, while capturing ~0% of the downside in 2025 YTD.

During the first quarter, performance was supported by strength in financials, alternative energy, and select consumer sectors. Positive contributions came from holdings such as Fannie Mae, Freddie Mac, and Sable Offshore, which benefited from firming demand and sector-specific tailwinds. Additionally, positions tied to volatility hedges, like the 2x Long VIX Futures ETF (UVIX), provided valuable downside mitigation amid periods of market stress. Weakness was concentrated in technology and energy infrastructure, where stocks such as Marvell Technology, Venture Global, and NVIDIA underperformed due to concerns about slowing demand trends, valuation pressures, and softer commodity pricing.

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Top three contributors in Q1 2025

2x Long VIX Futures ETF (UVIX) is an exchange-traded product designed to provide leveraged exposure to short-term VIX futures contracts. UVIX contributed positively to performance during the first quarter of 2025 as market

volatility spiked amid rising geopolitical tensions and investor concerns about slowing economic growth.

Federal National Mortgage Association (FNMA), commonly known as Fannie Mae, operates as a GSE supporting liquidity in the U.S. mortgage market. FNMA's stock advanced during the first quarter of 2025, benefiting from stronger-than-expected housing demand, stabilizing interest rates, and investor speculation about favorable outcomes related to GSE reform efforts. Improving credit quality metrics across its mortgage portfolio also contributed to positive sentiment.

Federal Home Loan Mortgage Corporation (FMCC), known as Freddie Mac, similarly provides liquidity to the housing market by purchasing mortgages from lenders. FMCC shares rose in the first quarter of 2025, supported by resilience in the U.S. housing market, better-than-anticipated earnings, and growing investor optimism about potential policy changes aimed at enhancing the capital positions of GSEs. Continued demand for agency-backed securities also provided a tailwind for Freddie Mac's valuation.

Top three detractors in Q1 2025

Venture Global Inc. (VG) is a privately held liquefied natural gas (LNG) exporter with long-term contracts to supply LNG globally. Holdings tied to Venture Global detracted from performance during the quarter due to ongoing legal disputes with key customers over contract pricing terms, raising concerns about future revenue visibility. Broader weakness in global LNG pricing also pressured sentiment around related assets.

Marvell Technology, Inc. (MRVL) designs and manufactures semiconductors for data infrastructure, including cloud and 5G networks. MRVL shares underperformed in early 2025 amid concerns about inventory buildup among cloud customers and delays in hyperscale data center spending. Additionally, cautious commentary from management regarding demand trends contributed to investor unease.

Coinbase Global Inc. (COIN) is a cryptocurrency exchange platform. COIN's stock faced continued volatility in early 2025 amid persistent regulatory challenges, including an ongoing SEC lawsuit, and broader weakness in cryptocurrency trading volumes. Investor concerns about Coinbase's heavy reliance on the U.S. market for revenue further pressured the stock during the period.



Average net exposures in Q1 2025+

Market Capitalization

Small Capitalization	19.3%
Mid Capitalization	11.1%
Large Capitalization	63.7%

Sector (Top 5)

Energy	15.6%
Consumer Discretionary	15.3%
Technology	13.7%
Industrials	10.9%
Financials	10.4%

Geographic

North America	72.6%
Asia	10.3%
South & Central America	4.9%
Western Europe	4.5%
Africa/Middle East	1.8%

Top 10 Holdings as of 3/31/2025+

Expand Energy Corp	3.59%
ICICI Bank Ltd	3.21%
HDFC Bank Ltd	3.16%
Civeo Corp	3.08%
Adobe Inc	2.97%
Dollar Tree Inc	2.86%
Luckin Coffee Inc	2.82%
Uber Technologies Inc	2.81%
BYD Co Ltd	2.76%
Coinbase Global Inc	2.72%



Average net exposures in Q1 2025+

Long/Short

Long	93.1%
Short	-31.7%

Market Capitalization

Small Capitalization	2.2%
Mid Capitalization	2.3%
Large Capitalization	56.9%

Sector (Top 5)

Energy	10.6%
Financials	9.4%
Materials	9.1%
Technology	8.4%
Industrials	7.4%

Geographic

North America	43.4%
Asia	9.2%
Western Europe	4.8%
South & Central America	4.0%

Top 5 Long Holdings as of 3/31/2025+

ConocoPhillips	3.29%
Expand Energy Corp	3.25%
Rollins Inc	2.74%
Philip Morris Intl Inc	2.59%
Estee Lauder Cos Inc	2.54%

Top 5 Short Holdings as of 3/31/2025+

HCA Healthcare Inc	-1.49%
Discover Financial Svcs	-1.37%
Vertex Pharma Inc	-1.37%
Tanger Inc	-1.36%
BoozAllen Hamilton Hldg	-1.35%

+Holdings and allocation data are subject to change without notice and are not a recommendation to buy or sell any security. Excludes cash positions. Calculated as a % of net assets.

Clough Select Equity ETF (CBSE) Performance Summary as of 3/31/2025

Trailing Returns	3 Month	YTD	1 Year	3 Year	Since Inception
ETF Performance					
Net Asset Value (NAV)	-9.57%	-9.57%	8.33%	6.74%	10.24%
Market Price	-9.59%	-9.59%	8.30%	6.70%	10.23%
Index Performance					
World All-Cap Index ¹	-1.75%	-1.75%	2.71%	0.93%	4.69%
Peer Group Performance					
Morningstar Global Small/Mid Stock Category Avg ²	-3.72%	-3.72%	-3.64%	-2.46%	1.43%
Morningstar Rating TM ³	-	-	-	★★★★★	-
Fund Rank Percentile ⁴	-	-	6%	4%	9%
# of Investments in Category	-	-	165	159	146

Returns greater than one year are annualized.

ETF Gross Expense Ratio: 0.86% as of 3/11/2025. ETF inception: 11/13/2020.

Performance represents past performance and does not guarantee future results. Investment returns and the principal value of an investment will fluctuate so that 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 data quoted. Current performance as of the most recent month end is available by calling 855-393-0559.

NAV returns are based on the ETF's net asset value, which represents the market value of the ETF's underlying investments minus liabilities divided by the ETF's outstanding shares. Market price returns are based upon the midpoint of the bid/ask spread at 4:00pm Eastern Time, when the NAV is normally calculated.

¹The Bloomberg World All-Cap Equal Weight TR Index (the "World All-Cap Index") is an equal weighted equity benchmark that covers 99% market cap of the measured market. Performance information for each listed index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

²Morningstar Category Averages are designed to represent the average return of funds within their category over time. Morningstar creates a category average daily total return index series, as well as monthly, quarterly, and annual averages of return and non-return data. Morningstar Category Averages are equal-weighted category returns. The calculation is simply the average of the returns for all the funds in a given category. In Morningstar, exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.

³For each fund with at least a three-year history, Morningstar calculates a Morningstar RatingTM based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar RatingTM for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar RatingTM metrics. The ETF was rated 5 stars against 159 funds in the Global Small/Mid Stock Category based on the overall and three-year risk-adjusted return ending 3/31/2025. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. Past performance does not guarantee future results.

⁴The rank percentile is based on total return within the Morningstar Global Small/Mid Stock Category for the 1-year, 3-year and since inception periods as of 3/31/2025.

Clough Hedged Equity ETF (CBL5) Performance Summary as of 3/31/2025

Trailing Returns	3 Month	YTD	1 Year	3 Year	Since Inception
ETF Performance					
Net Asset Value (NAV)	-0.04%	-0.04%	14.82%	5.17%	6.58%
Market Price	-0.25%	-0.25%	14.81%	5.16%	6.58%
Index Performance					
World All-Cap Index ¹	-1.75%	-1.75%	2.71%	0.93%	4.69%
World All-Cap / UST 0-1 Yr 50/50 Index ¹	-0.40%	-0.40%	3.72%	2.67%	3.95%
UST 0-1 Year Index ¹	0.95%	0.95%	4.54%	3.81%	2.61%
Peer Group Performance					
Morningstar Equity Hedged Category Average ²	-2.02%	-2.02%	5.05%	5.87%	6.58%
Morningstar Rating ^{TM 3}	-	-	-	★★★★	-
Fund Rank Percentile ⁴	-	-	2	48%	45%
# of Investments in Category	-	-	157	142	112

Returns greater than one year are annualized.

ETF Gross Expense Ratio: 1.90% as of 3/11/2025. ETF inception: 11/13/2020.

Performance represents past performance and does not guarantee future results. Investment returns and the principal value of an investment will fluctuate so that 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 data quoted. Current performance as of the most recent month end is available by calling 855-393-0559.

NAV returns are based on the ETF's net asset value, which represents the market value of the ETF's underlying investments minus liabilities divided by the ETF's outstanding shares. Market price returns are based upon the midpoint of the bid/ask spread at 4:00pm Eastern Time, when the NAV is normally calculated.

¹The Bloomberg World All-Cap Equal Weight TR Index (the "World All-Cap Index") is an equal weighted equity benchmark that covers 99% market cap of the measured market. The Bloomberg World All-Cap Equal Weight/UST 0-1 Yr 50/50 Index (the "World All-Cap/UST 0-1 Yr 50/50 Index") is a blend of 50% of the Bloomberg World All-Cap Equal Weight TR Index and 50% of the Bloomberg US Treasury 0-1 Year Maturity TR Index. The Bloomberg US Treasury 0-1 Year Maturity Index (the "UST 0-1 Yr Index") is an index created by Bloomberg which functions as a cash proxy. Performance information for each listed index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

As of 12/31/2024, the primary benchmark of the ETF was updated to the World All-Cap Index from the UST 0-1 Yr Index.

²Morningstar Category Averages are designed to represent the average return of funds within their category over time. Morningstar creates a category average daily total return index series, as well as monthly, quarterly, and annual averages of return and non-return data. Morningstar Category Averages are equal-weighted category returns. The calculation is simply the average of the returns for all the funds in a given category. In Morningstar, exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.

³For each fund with at least a three-year history, Morningstar calculates a Morningstar RatingTM based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar RatingTM for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar RatingTM metrics. The ETF was rated 3 stars against 142 funds in the Equity Hedged Category based on the overall and three-year risk-adjusted return ending 3/31/2025. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. Past performance does not guarantee future results.

⁴The rank percentile is based on total return within the Morningstar Equity Hedged Category for the 1-yr, 3-year and since inception periods as of 3/31/2025.



Investors should consider the investment objectives, risks, charges, and expenses of Clough Select Equity ETF ("CBSE") and the Clough Hedged ETF ("CBLs") (each, an "ETF" and collectively, the "ETFs") carefully before investing. This and other information are contained in each ETF's prospectus, which may be obtained by visiting www.cloughetfs.com or by calling 855-393-0559. Please read the prospectus carefully before you invest.

The ETFs are NYSE listed ETFs and may trade at a price above or below each ETF's NAV. Shares of the ETF may trade at a premium or discount to NAV and may be bought and sold throughout the day at their market price on the exchange on which they are listed. The market price may be at, above or below the ETF's NAV and will fluctuate with changes in the NAV as well as supply and demand in the market for the shares. The market price of the ETF's shares may differ significantly from its NAV during periods of market volatility. Shares of the ETF may only be redeemed directly at NAV by Authorized Participants, in very large creation units. There can be no guarantee that an active trading market for the ETF's shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling shares of the ETF on an exchange may require the payment of brokerage commissions and frequent trading may incur brokerage costs that detract significantly from investment returns.

Investments in securities are not insured, protected, or guaranteed and may result in loss of income and/or principal. Diversification does not eliminate the risk of market loss. A long-term investment approach cannot guarantee a profit. All financial products have an element of risk and may experience loss. Past performance is not indicative of, nor does it guarantee future results. Purchases are subject to suitability, risk tolerance and any other investment limitations.

The ETFs are distributed by Paralel Distributors LLC. Paralel Distributors LLC and Clough Capital Partners L.P. ("Clough Capital") are not affiliated.

Risk Factors

Investing involves risk. Principal loss is possible. The equity securities held in the portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the ETFs invests.

Short selling involves the sale of securities borrowed from a third party. The short seller profits if the borrowed security's price declines. If a shorted security increases in value, a higher price must be paid to buy the stock back to cover the short sale, resulting in a loss. The ETFs may incur expenses related to short selling, including compensation, interest or dividends, and transaction costs payable to the security lender, whether the price of the shorted security increases or decreases. The amount an ETF could lose on a short sale is theoretically unlimited. Short selling also involves counterparty risk – the risk associated with the third-party ceasing operations or failing to sell the security back.

Hedging Risk. Options used by the ETFs to reduce volatility and generate returns may not perform as intended. There can be no assurance that the ETFs' option strategy will be effective. It may expose the ETFs to losses, e.g., option premiums, to which it would not have otherwise been exposed. Further, the option strategy may not fully protect the ETFs against declines in the value of its portfolio securities.

This letter is provided for informational purposes only and is not an offer to sell or a solicitation of an offer to buy the securities, products or services mentioned, and no offers or sales will be made in jurisdictions in which the offer or sale of these securities, products or services is not qualified or otherwise exempt from regulation. The information contained herein should not be considered a recommendation, blanket or otherwise: (1) to purchase any specific stock, index or equity-based product, or (2) to utilize any specific stock selection strategy.

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Although not generally stated throughout, the information in this letter is the opinion of Clough Capital, which opinion is subject to change and neither Clough Capital nor the ETFs have any obligation to inform you of any such changes. Opinions expressed herein are solely those of Clough Capital. Clough Capital is an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC"). Registration with the SEC should not be construed as an endorsement or an indicator of investment skill, acumen or experience.

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Performance information presented was obtained from Morningstar Direct. Morningstar's calculation of total return is determined by taking the change in price, reinvesting, if applicable, all income and capital gains distributions during the period, and dividing by the starting price. Unless otherwise noted, Morningstar does not adjust total returns for sales charges (such as front-end loads, deferred loads, and redemption fees), preferring to give a clearer picture of performance. Total returns do account for the expense ratio, which includes management, administrative, 12b-1 fees, and other costs that are taken out of assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns), affording a more meaningful picture of fund performance than nonannualized figures. The ETFs managed by Clough Capital do not charge any loads, nor do they have redemption fees. In this instance, total return would equate to net return.

The Morningstar Global Small/Mid Stock Category includes funds whose portfolios invest in a variety of international stocks that are smaller. Global-stock portfolios have a few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's smaller markets. These portfolios are not significantly overweight in US equity exposure relative to the Morningstar Global Market Index and maintain at least a 20% absolute US exposure. The Clough Select Equity ETF was categorized in the Morningstar Category of Global Small/Mid Stock by Morningstar.

The Morningstar Equity Hedged Category includes funds whose strategies use a variety of means to protect their equity exposure during times of market weakness. These funds may exchange equity risk for some other risk premium, such as volatility. They may also make opportunistic trades, like employing market-timing moves to exit the market altogether. These funds will typically have beta values to relevant benchmarks of less than 0.6. The Clough Hedged Equity ETF was categorized in the Morningstar Category of Equity Hedged by Morningstar. Morningstar assigns categories based on funds' average holdings statistics over the past three years. When necessary, Morningstar may change a category assignment based on recent changes to the portfolio.