

CBOE: ROYA

Tema Global Royalties **ETF**

Companies extracting royalty streams

Q4 2023

For inquiries: info@temaetfs.com



Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's prospectus or summary prospectus, which may be obtained by visiting www.temaetfs.com.

Read the prospectus carefully before investing

Risk Information

Investing involves risk including possible loss of principal. There is no guarantee the adviser's investment strategy will be successful.

Royalty Trust Structure Risk: The success of the fund is heavily dependent on royalty investments including investments in Royalty Income Trusts (RITs). Cash flows from royalty income can be contingent on the production of energy commodities. As such, the level of income received can be volatile as commodity prices, production levels, and production costs all vary wildly. Another consideration is that some royalty investments own intellectual property. In those cases, the trust could be subject to changes in intellectual property laws, which can impact the value of the assets held by the trust. Royalty trusts generally do not guarantee minimum distributions or even return of capital. Finally, Royalty Income Investments are still subject to market risks, such as interest rate fluctuations, currency risks, and overall market volatility.

Tema Global Limited serves as the investment adviser to Tema Global Royalties ETF (the "Fund"), and NEOS Investments, LLC serves as a sub adviser to the Fund. The Fund is distributed by Foreside Fund Services LLC, which is not affiliated with Tema Global Limited nor NEOS Investments, LLC. Check the background of Foreside on FINRA's BrokerCheck.

Distributor: Foreside Fund Service LLC

For inquiries: info@temaetfs.com

Tema: thematic ETFs managed differently



Our name is our mission

Tema (*noun*) Latin for **Theme**

Our mission is to democratize access to institutionally-focused¹ thematic investing through risk-managed, active ETF strategies.

Backed by top-tier² investors & led with expertise³



Management team



Maurits Pot
Founder and CEO



Yuri Khodjamirian, CFA
CIO



Chris Semenuk
Global Royalties PM

Tema ETFs product sample



LUX

Luxury



RSHO

American Reshoring



TOLL

Monopolies and Oligopolies

¹Tema's products are created with the aim to be suitable for financial institutions, e.g., pension funds or endowment funds. These institutions often have strict investment requirements based on factors such as risk management and precision of exposure. ²Index Ventures and Accel ranked among the top 10 VCs globally according to 2022 Global Venture Capital Investor Prominence Ranking report issued by dealroom.co. Criteria for evaluation are based on a comprehensive and quantitative list, including investors' success in backing unicorns (privately held startup company with a value of over \$1 billion) and future unicorns, as well as their level of deal activity in the last 12 months. ³Company logos in this slide (excluding Index Ventures and Accel) showcase the past experiences of Tema's management team.

- Royalty companies earn a share of an asset's future revenue in exchange for investment

- Royalties avoid most of the operational, capital expenditure and dilution risks of underlying assets while having the potential to benefit from inflationary increases in their revenues

- **ROYA** seeks to provide a differentiated exposure to commodities that historically outperformed both mining companies and underlying commodities

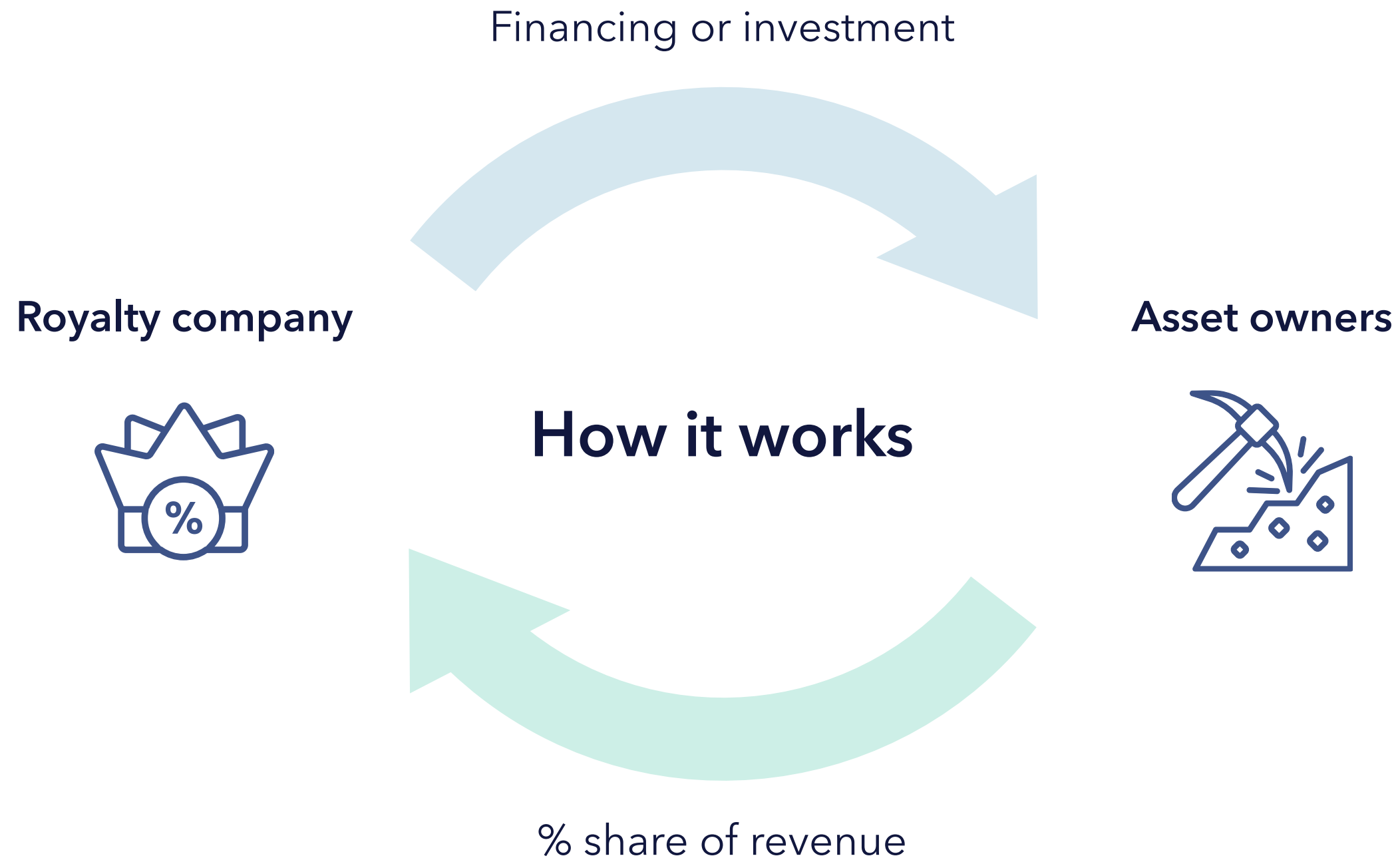
- **ROYA** companies pay a contractual real dividend income

- Royalties provide structured exposure to private assets, making them highly scalable businesses

- **ROYA** is managed by a seasoned global investor employing a consistent investment process

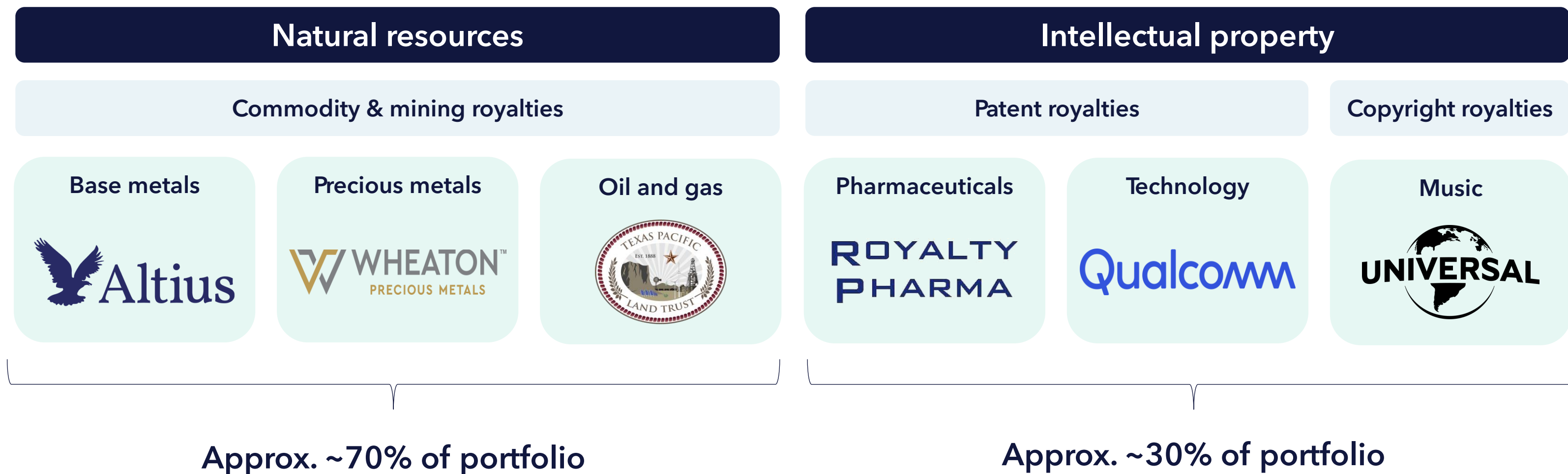
- **Tema** is an active ETF manager backed by top tier investors and led by experienced talent

A royalty is a share of future revenue in exchange for upfront investment



Royalty companies span natural resources but also intellectual property

Royalties universe¹ total market cap: ~ \$400bn



¹Royalties universe is Tema proprietary universe. Some of the companies highlighted in this slide are holdings of the Tema Global Royalties ETF portfolio. For a full list of fund holdings [click here](#). See Glossary in appendix for full definition.

Owning royalty companies helps reduce risks vs owning the underlying asset



Risks	Royalty Company	Underlying Asset
Dilution risk (<i>new shares dilute earnings</i>)	Limited	Higher
Operational risk (<i>costs unexpectedly rise</i>)	Low	Higher
Capex risk (<i>higher project capital cost</i>)	Low	Higher
Reputational risk (<i>environmental, governmental</i>)	Low	Higher

Source: Tema analysis. Although Royalty company have low exposure to the above risks, there could be a link between operating or/and capital cost, and the revenue of the underlying asset. This could mean an adverse development in the former could negatively impact the latter, thereby indirectly affecting royalty company revenues. See Glossary in appendix for full definition.

Royalty companies are highly scalable and adoption is spreading fast



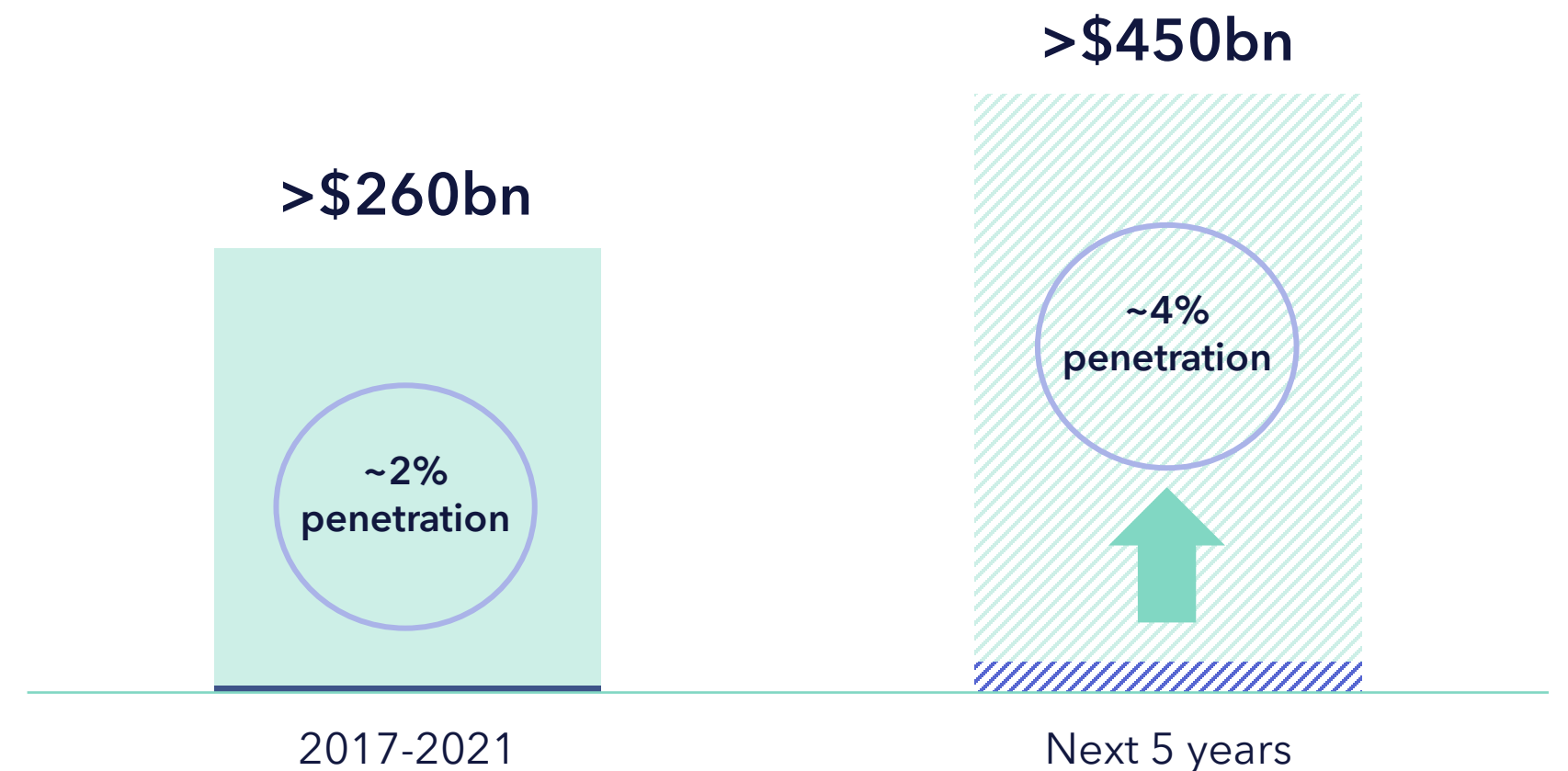
Scalability of an efficient business model

2000 to 2022

Revenue	64X
Cash general & admin. expenses	<20X
Operating cash flow	99X

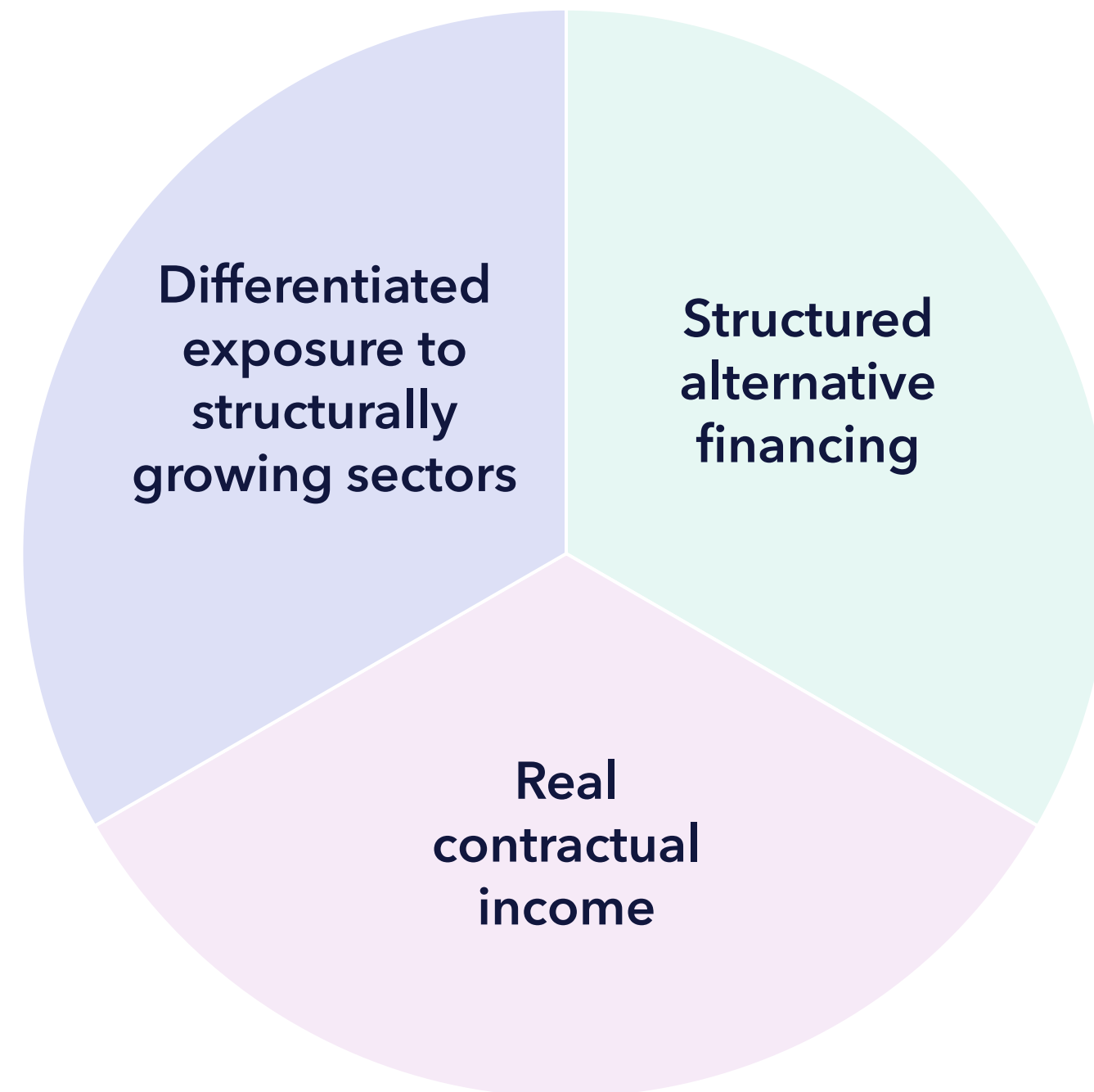


Pioneering pharmaceutical royalties penetrating a big and growing market

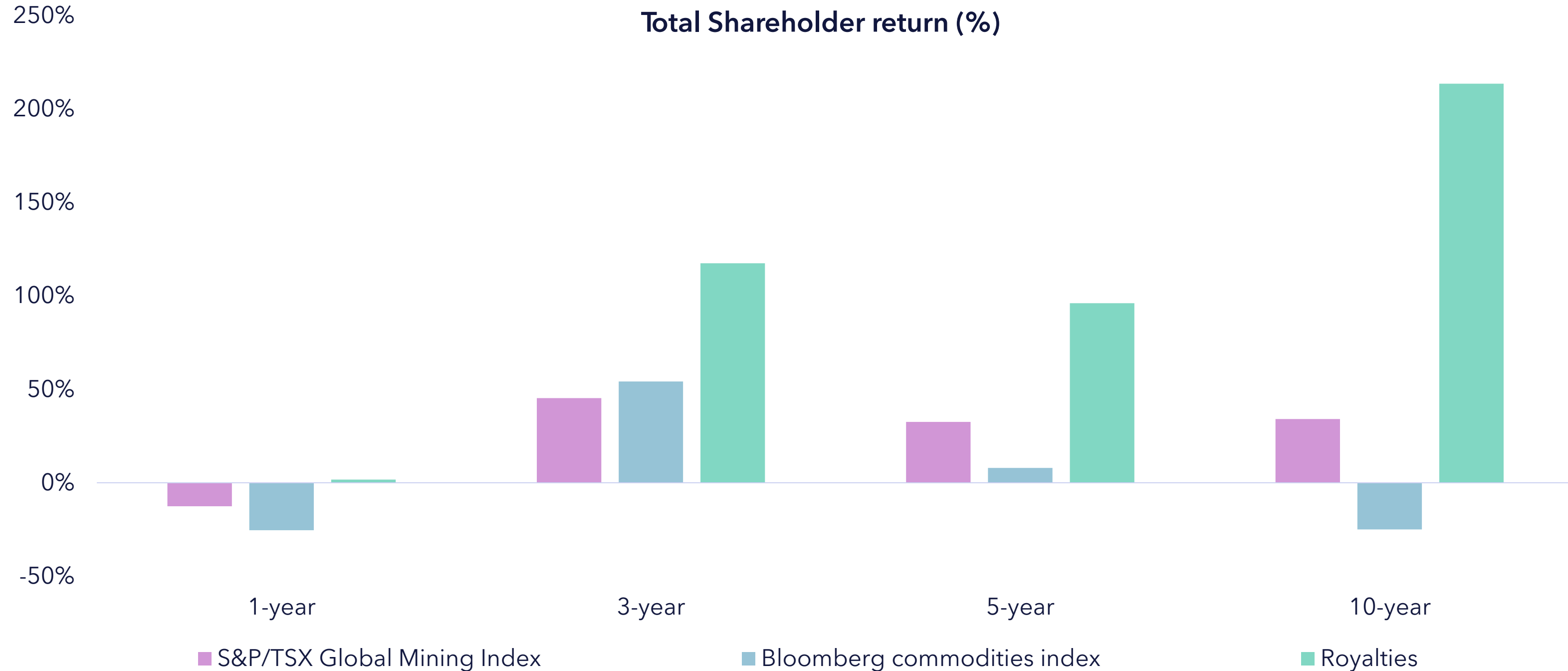


Source: Royalty Pharma Corporate Presentation, Royal Gold Investor Presentation, Bloomberg. Revenue growth and operational cash flow of an individual security may not translate to positive fund performance and does not indicate future fund success. Forecasts are inherently limited and should not be relied upon when making investment decisions. There is no guarantee projected growth will occur. Past performance does not guarantee future results. In addition, there is no guarantee it will translate to positive fund performance. See Glossary in appendix for full definition.

Royalties are a potentially attractive investment



Royalties have historically offered attractive returns over pure commodities and mining companies



Source: Bloomberg data up to 05/31/2023. Royalties is represented by Tema proprietary universe, defined as all companies earning at least 80% of their revenue from royalty income, royalty-related income and intellectual property income. The referenced indexes are shown for informational purposes only and are not meant to represent the Fund. You cannot invest directly in an index. The measures are representative of the indexes underlying holdings and are not indicative of future performance. For a full list of fund holdings [click here](#). See Glossary in appendix for full definition.

Royalties provide structured exposure to hard-to-access private assets

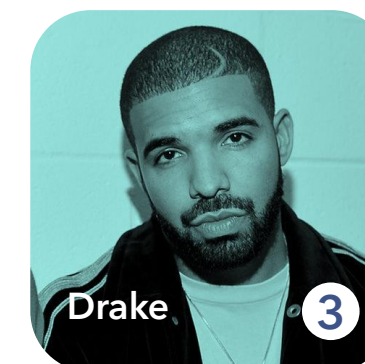
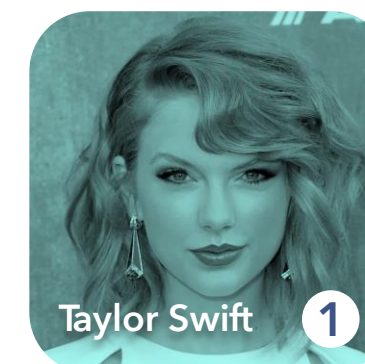
- Hard-to-access private assets
- Diversified across a collection of underlying assets
- Preferential position in the capital structure
- Management track record and expertise



Universal owns a royalty on the top global artists

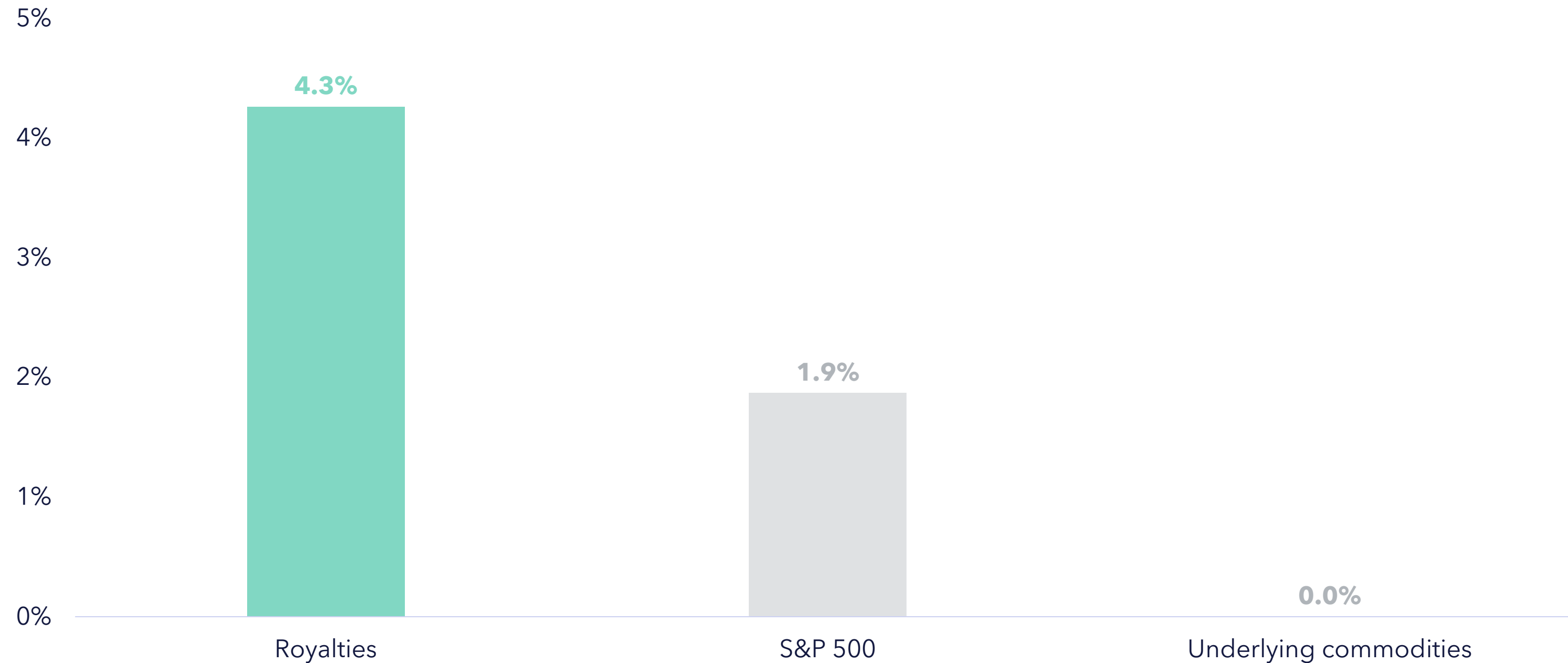


15 of the top 20 global artists in 2022



Royalty companies provide real contractual income

10-year historical average dividend yield

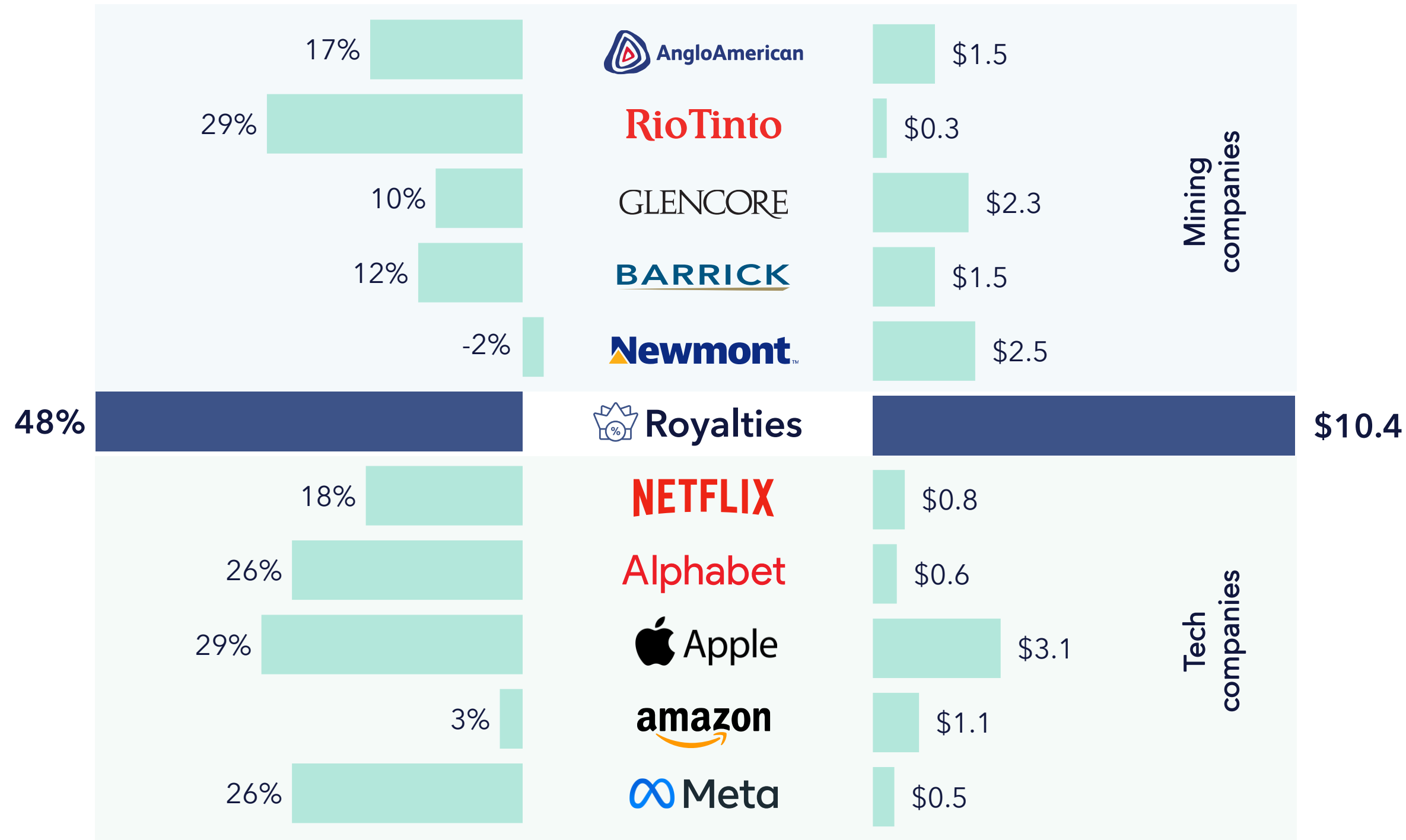


Source: Tema analysis, Bloomberg. Dividend yield is simple average of 10-year historical dividend yield as of 07/31/2023. Royalties is represented by the Solactive Global Royalties Index. Underlying commodities represent any basic goods such as wheat, gold, oil and cattle that an investor can purchase through the physical or futures market. The measures are representative of the indexes underlying holdings and are not indicative of future performance. You cannot invest directly in an index. Past performance does not guarantee future result. There is no guarantee the Adviser's investment strategy will be successful. See Glossary in appendix for full definition.

Royalty business models are highly profitable, efficient and scalable

Operating margin
(% of revenue)

Sales per employee
(\$M)



Source: Bloomberg as of 07/31/2023. Royalties is represented by the Tema Royalties ETF portfolio. For a full list of fund holdings [click here](#).

Sales per employee are last twelve months of latest reported sales divided by latest disclosed number of employees. Operating margin defined as EBIT margin in Bloomberg. See Glossary in appendix for full definition.


Why now?

Inflationary environment

Finance & economics | Free exchange

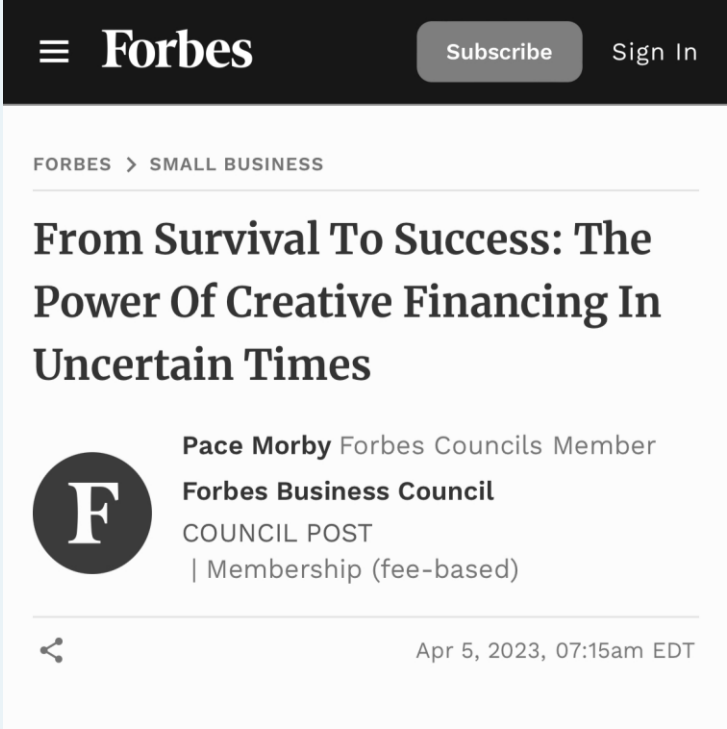
Why inflation refuses to go away

America and Britain are surprised once again by high prices



The Economist

Higher interest rates = reduced traditional financing



FORBES > SMALL BUSINESS

From Survival To Success: The Power Of Creative Financing In Uncertain Times

Pace Morby Forbes Councils Member
Forbes Business Council
COUNCIL POST
| Membership (fee-based)

Apr 5, 2023, 07:15am EDT

Forbes

A commodity super-cycle?

Markets

Goldman Bullish on Commodities, Seeing Years-Long Supercycle

- Record dislocations, cash in system add to sentiment: Currie
- Oil market has potential to get tight over next 3-6 months

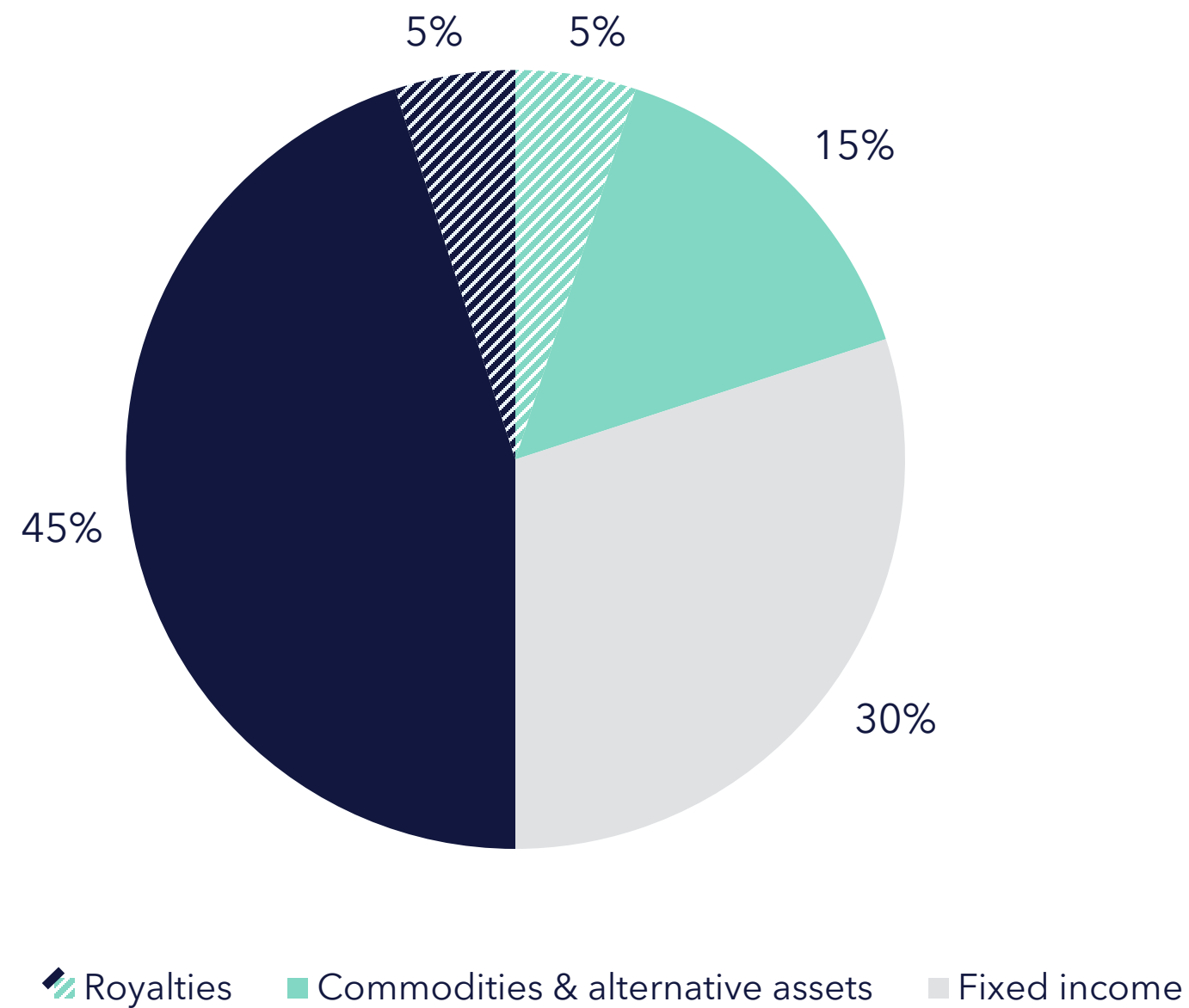
WATCH: Goldman Sachs's Jeff Currie discusses his outlook for commodities in 2022. *Source: Bloomberg*

By Brian Wingfield and Francine Lacqua

+Follow
January 6, 2022 at 10:59 AM GMT

WSJ

Re-thinking the 60/40 portfolio into the 'new' 50/30/20 portfolio



- Differentiated commodity exposure
- Attractive income profile
- Equity exposure to industry growth

Managed by a veteran stock picker



Chris Semenuk
Fund Manager

Over 30 years of experience in US and global equity markets

Chris holds an BS in Economics from Union College, NY

30 years investment experience

Lead manager of \$5bn TIAA-CREF Global Equities Fund (TRERX) 2001 - 2020

Domain expert in multiple sectors

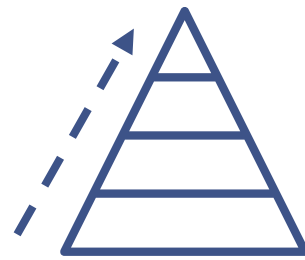
Advised boards of US and non-US companies

Responsible for raising \$2bn of AuM in third party assets

Helped build the risk control platform for equities at TIAA/Nuveen

Why Tema?

1



Process

Bottom-up research led by a team of experienced professionals

2



Product

Seek pure exposure to a unique alternative asset class, exposed to commodities and earning income

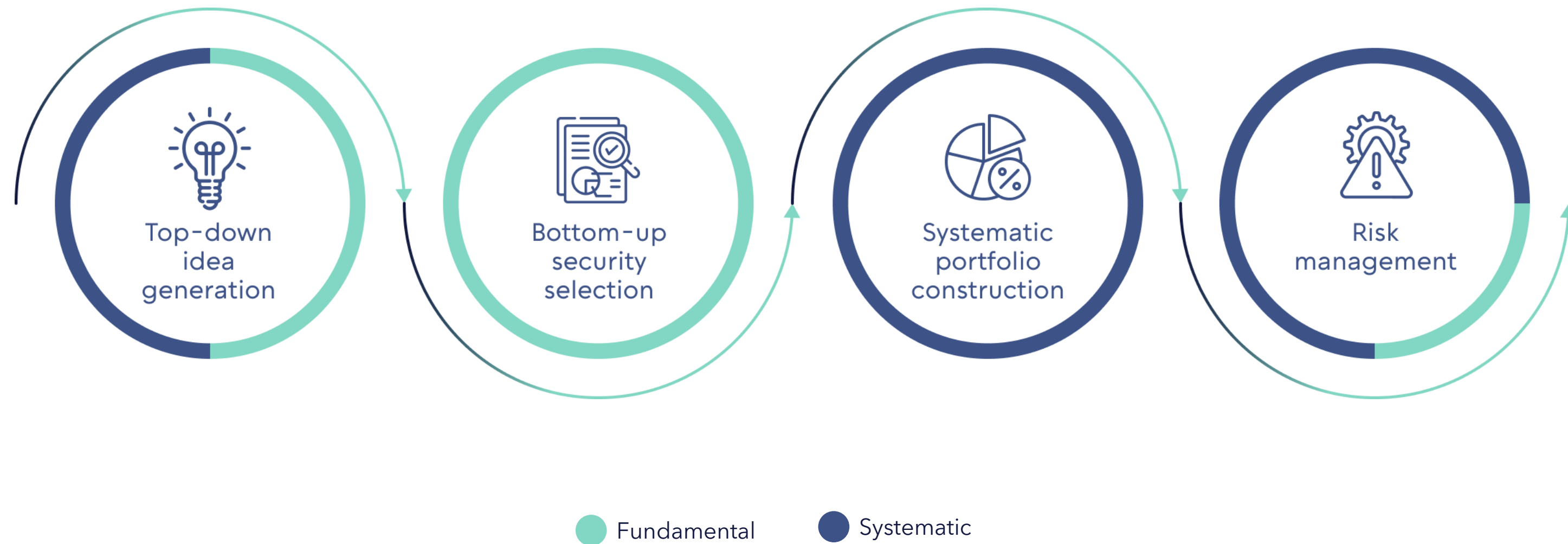
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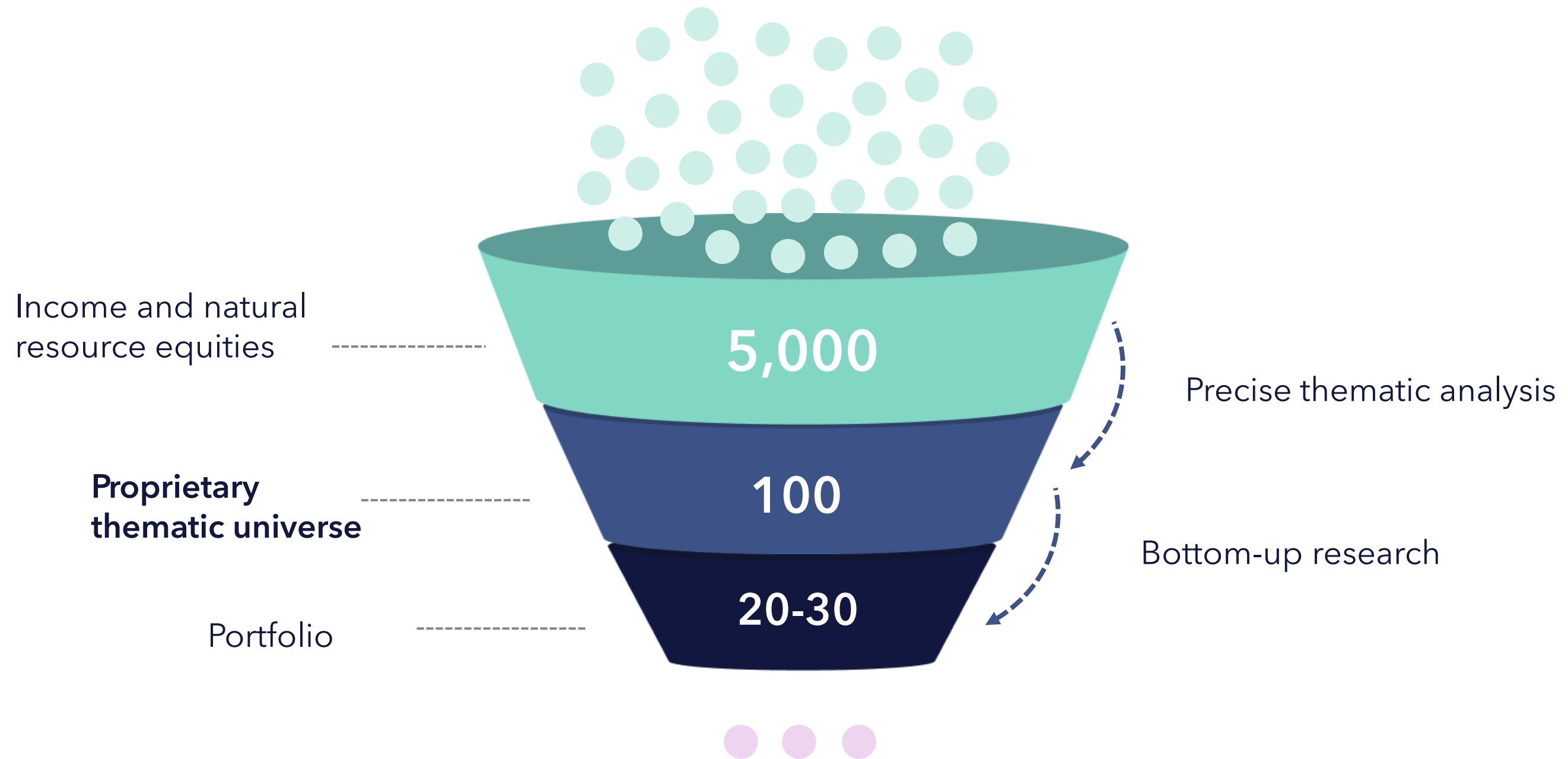
Firm

Supported by large operational and funding partners

Investment process: top-down idea generation, bottom-up security selection and systematic portfolio construction



Idea generation: using expert led insights and quantitative tools to narrow down research set



Security analysis: our fundamental research assesses stocks based on **four key pillars**



1

Operating Base

Management track record

High quality assets

2

Balance Sheet and Cash Flow

Strong balance sheet

Sustainable cash generation

3

Valuation

Attractively valued relative to future growth outlook

4

Tema's Edge

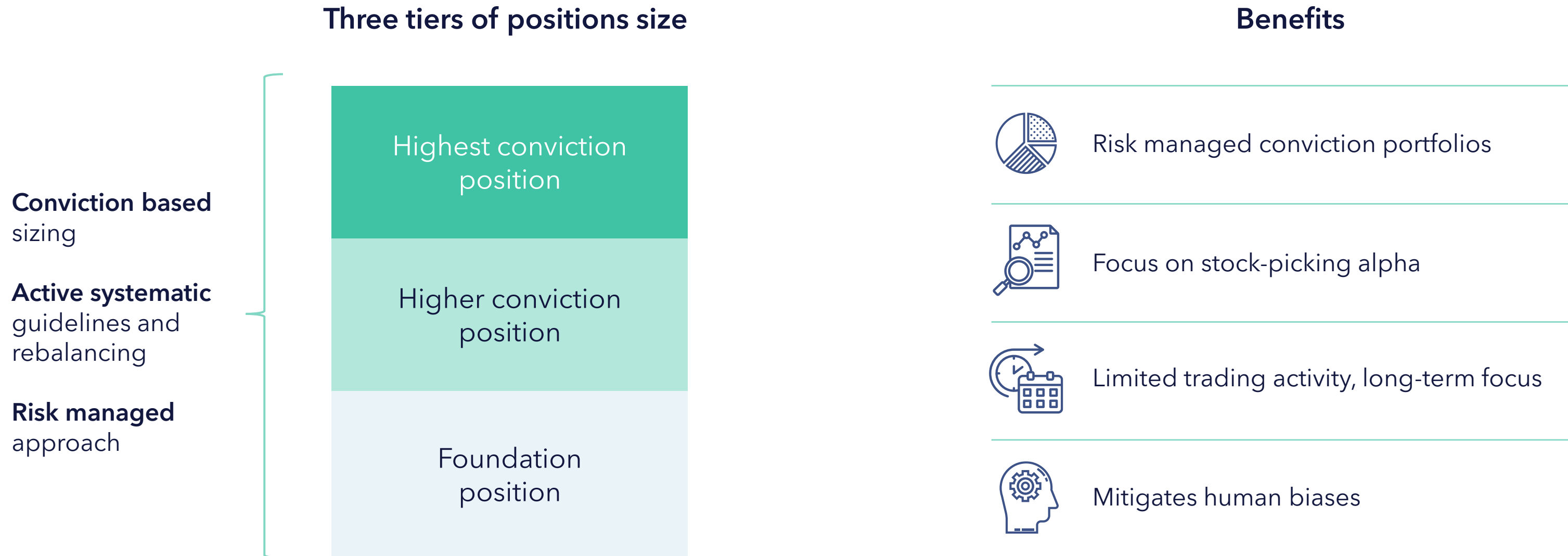
How is our view different to the market?

Risk oversight: we monitor risk from multiple viewpoints

Risk Factor	Risk Assessment	Mitigations
Excess Leverage	Focus on balance sheet analysis including off-balance sheet arrangements	Avoid highly levered royalty businesses
Counterparty Risk	Monitor operator credit profiles including CDS	Focus on royalties partnering with quality operators
Jurisdiction Risk	Monitor regulatory and political climate within royalty territories. Tema macro dashboard and on the ground news flow	Limit exposure to underdeveloped markets

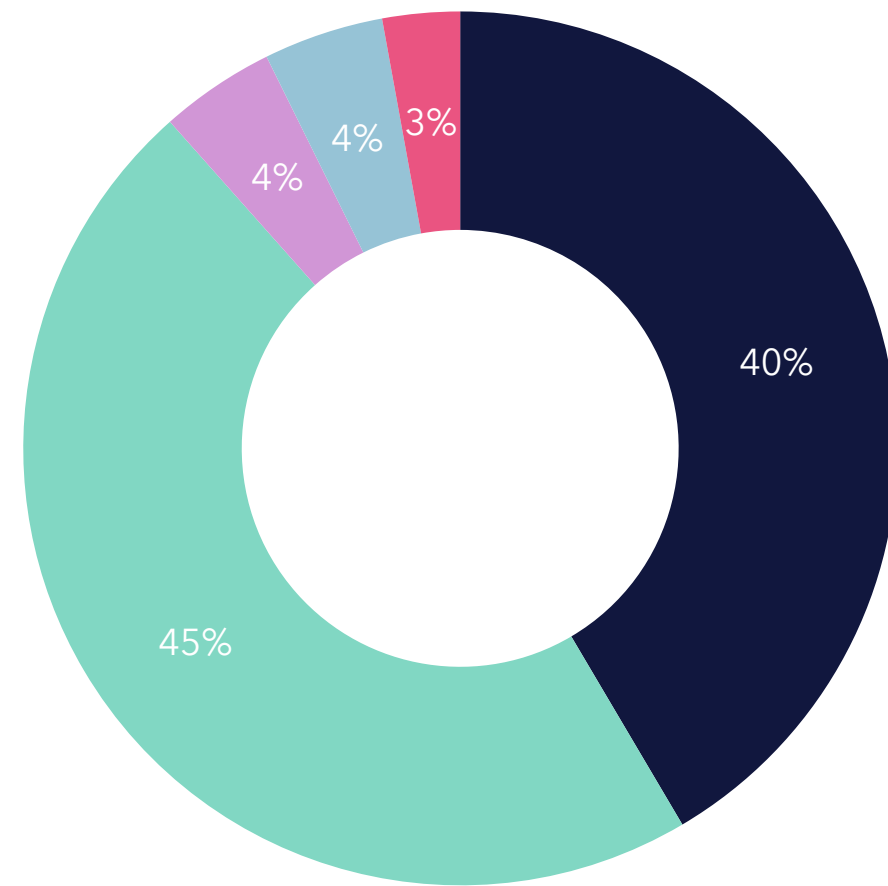
*See Glossary in appendix for full definition.

Portfolio construction: active systematic principles have the potential to drive considerable benefits to investors



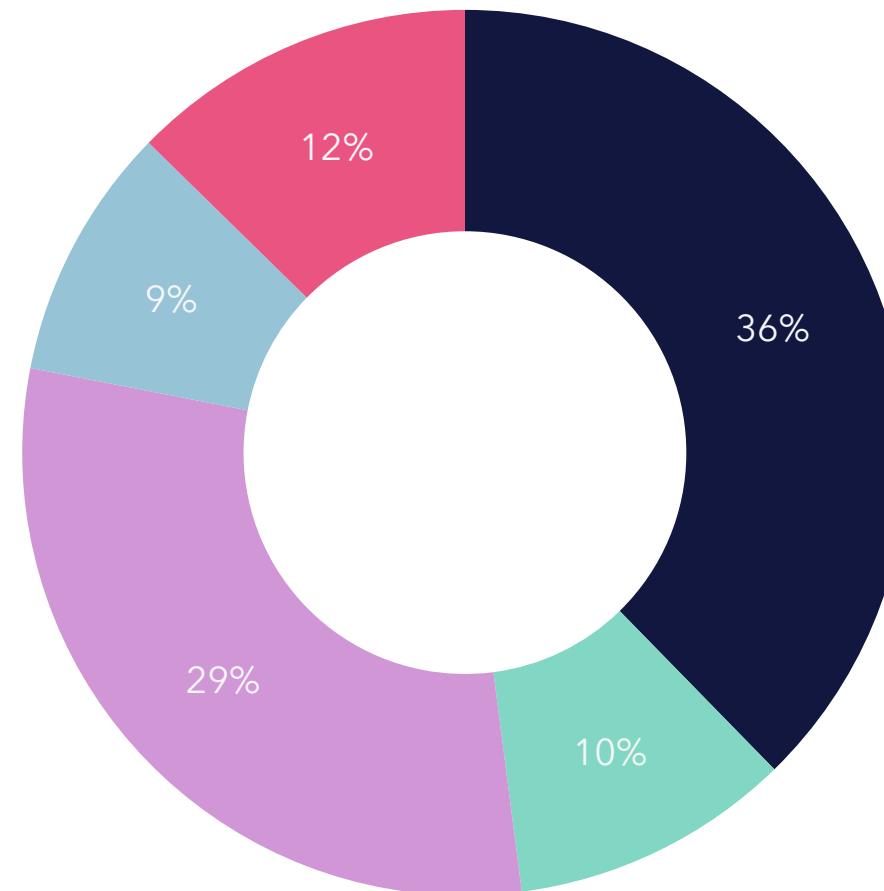
Current portfolio positioning

Country weighting



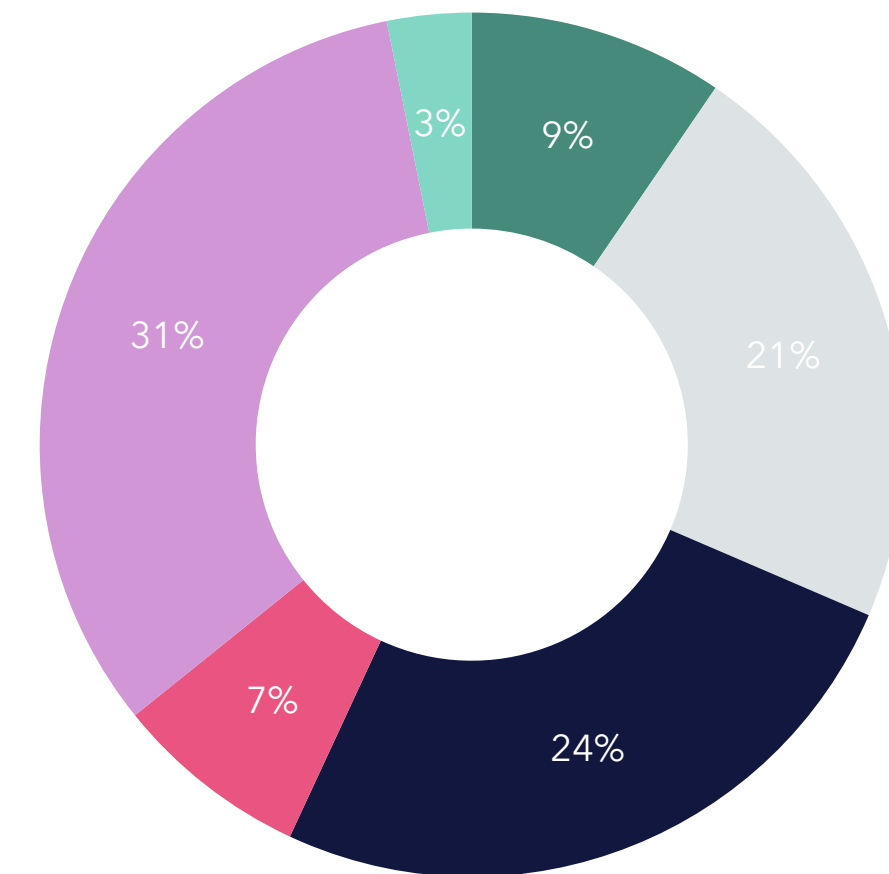
- Canada
- United States
- Netherlands
- Australia
- Denmark

Sector weighting



- Materials
- Energy
- Health Care
- Information Technology
- Communication Services

Market cap bands (\$bn)



- 0-1
- 1-2
- 2-5
- 5-10
- 10-50
- >50

25 holdings • c\$3 Bn median market cap • c\$62M mean 6-month average daily value traded (ADVT) per holding

Appendix

Case Study: Deterra's existing high-quality, low-cost royalty asset is undervalued and should support a 7% yield and future growth



Idea Generation

- **High quality royalty** built on a world class, low carbon ore asset (named MAC); located in a very low risk jurisdiction
- **Partnered** with BHP, a skilled and well-funded operator
- **Deterra management** has identified a long runway of future mine expansion which should yield additional income with very little additional capital commitment

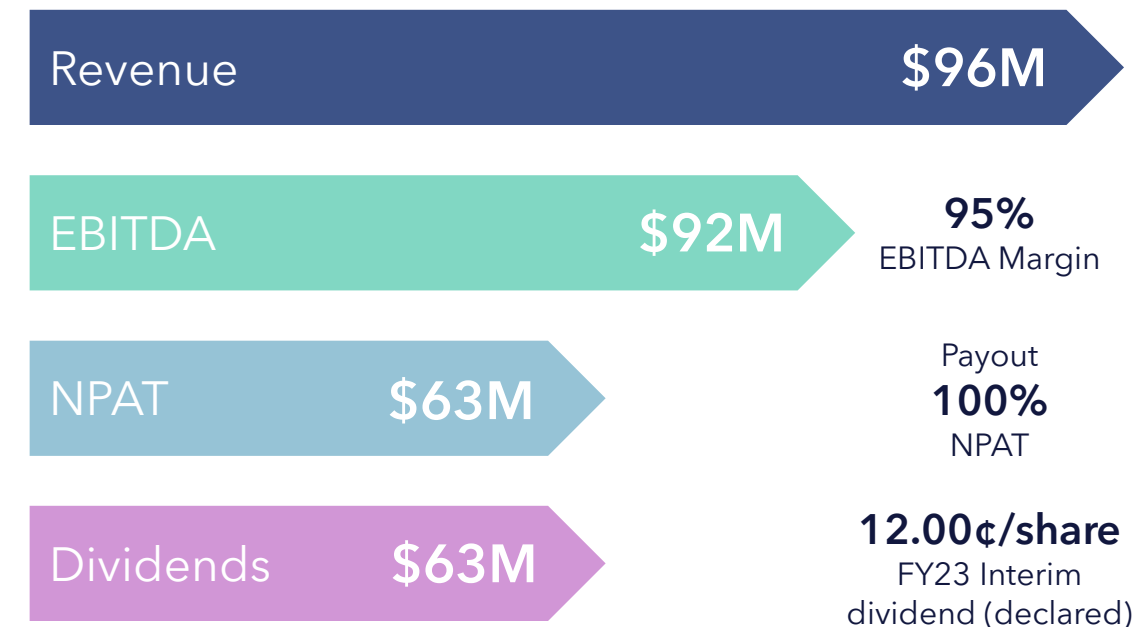


Security Analysis

- **Operating base:** A small but high-quality income producing royalty that is scheduled to triple production by late 2023
- **Cash flow/Balance sheet:** 100% of earnings paid out as dividends. Debt free balance sheet and \$350M revolver for acquisition.
- **Edge:** Getting paid a 5% yield while waiting for mine expansion opportunities or an acquisition
- **Valuation:** P/CF of 15x 2023 CF is relatively inexpensive compared to larger metals peers



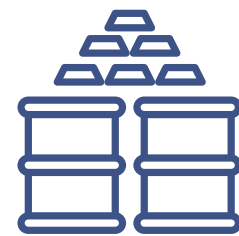
High quality assets delivering strong financial performance



Source: Deterra 2022 Annual Report Company and Company Corporate Presentation. Strong financial performance of an individual security should not be considered reflective of future sector performance nor translate to positive fund performance and does not indicate future fund success. Some of the companies highlighted in this slide are holdings of the Tema Global Royalties ETF portfolio. For a full list of fund holdings [click here](#).. *See Glossary in appendix for full definition.

Why we believe it makes sense to buy a royalty instead of the underlying asset

Direct commodity /Asset price leverage
Pure exposure to underlying commodity/asset price



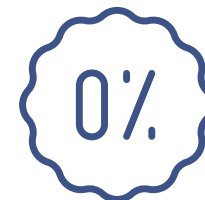
No capital cost obligations
Royalty owner is sheltered from future project capital requirements

Top line cash flow
Royalty revenue comes straight from assets revenue line



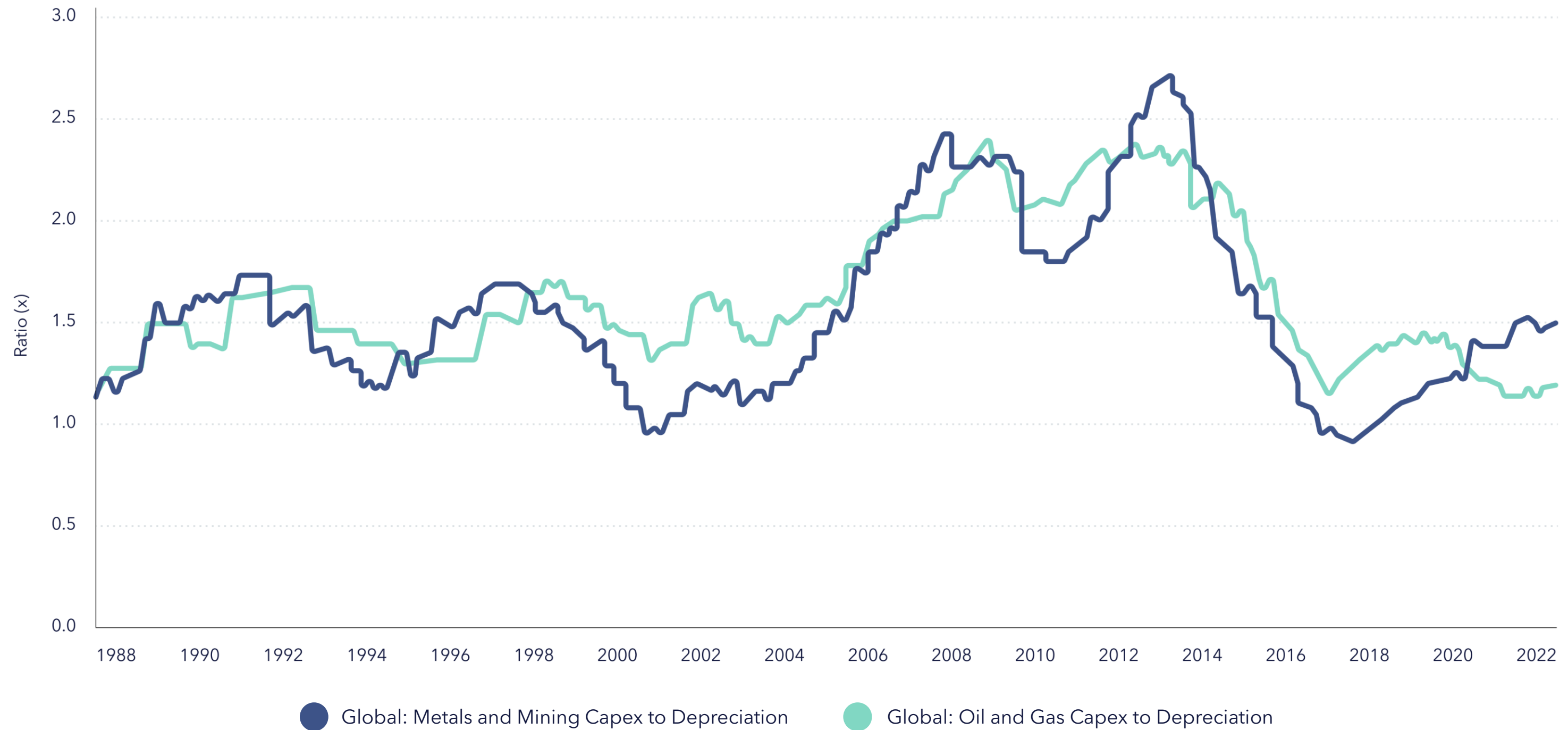
Protection from extra costs
Royalty is not forced to incur incremental cost of developing the asset

No operating cost exposure
Cost overruns born 100% by the operator



Project optionality
Additional value from asset extensions go straight to royalty owner without further capital obligations

Capital expenditure in the extractive industries is low, supporting future commodity prices



Historical analysis and current forecasts do not guarantee future results.
Source: FactSet and Alliance Bernstein Analysis, Up to 10/31/2022.

Glossary



Royalty

A royalty is a legally binding payment made to an individual or company for the ongoing use of their assets, including copyrighted works, franchises, and natural resources.

Market Capitalization or market cap

one measurement of a company's size. It's the total value of a company's outstanding shares of stock, which include publicly traded shares plus restricted shares held by company officers and insiders.

Capital expenditure or CAPEX

money invested by a company to acquire or upgrade fixed, physical or non-consumable assets.

Dilution risk

Risk of a company issuing new shares that result in a decrease in existing stockholders' ownership percentage of that company

Operating cash flow

measure of the amount of cash generated by a company's normal business operations

Alternative financing

Alternative financing is an umbrella term that refers to any financing offer that lives outside of the traditional options such as equity and fixed income capital.

Total Shareholder Return

profit generated from all capital gains and dividends from a company's shares during a holding period.

S&P/TSX Global mining index

The S&P/TSX Global Mining Index tracks equity securities of major companies in the North American mining industry

Bloomberg commodity index

Index made up of 23 exchange-traded futures on physical commodities, representing 21 commodities which are weighted to account for economic significance and market liquidity

Capital structure

how much money—or capital—is supporting a business, financing its

assets, and funding its operations.

S&P North American Natural Resources Index

The S&P North American Natural Resources Index provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS® energy and materials sector excluding the chemicals industry; and steel sub-industry.

Operating margin

measures how much profit a company makes on a dollar of sales after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax

Commodity Super-cycle

extended periods during which commodity prices are well above or below their long-run trend.

Credit default swap or CDS

contract between two parties in which one party purchases protection from another party against losses from the default of a borrower for a defined period of time.

TIAA-CREF Global Equities Fund (TRERX)

The TIAA-CREF International Equity Fund invests in non-U.S. equities of varying market capitalizations and may invest in emerging market securities

BHP

BHP Group Limited is an Australian multinational mining, metals, and natural gas petroleum public company headquartered in Melbourne, Victoria, Australia.

P/CF or price-to-cash flow ratio

multiple that compares a company's market value to its operating cash flow or its stock price per share to operating cash flow per share.

NPAT or Net profit after tax

measures the operating profit of a business after all costs and expenses have been accounted for, including tax.

S&P 500

The Standard and Poor's 500, or simply the S&P 500, is a stock market index tracking the stock performance of 500 large companies listed

on stock exchanges in the United States.

ADTV

Average daily traded value - a measure of liquidity for individual stocks. Unless otherwise stated, this is calculated as the average daily volumes traded in the past 6 months x the most recent USD price.

Alpha

Alpha (α), used in finance as a measure of performance, is the excess return of an investment relative to the return of a benchmark index.

AUM

Assets Under Management

CAGR

Compounded annual growth rate between 2 points in time

EBITDA

EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization. It is a financial metric used to assess a company's operating performance by focusing on its core profitability, excluding the impact of financing decisions, tax structures, and non-cash expenses such as depreciation and amortization.

EPS

Earnings per share (EPS) is a company's net profit divided by the number of common shares it has outstanding

ESG

Environmental, Social & Governance

ETF

Exchange-Traded Fund

Free Cash Flow or FcF

Free Cash Flow - calculated as cashflow from operations less capital expenditure (CAPEX)

Solactive Global Royalties Index

Representation of firms earning royalties by licensing their intellectual property or tangible assets, or earning revenues through royalty finance or royalty streaming

End of Presentation