

# GABELLI PET PARENTS™ NEXTSHARES™

*“We can judge the heart of a man by his treatment of animals.” ~ Immanuel Kant  
German Philosopher, 1804*

## STRATEGY OVERVIEW

- Gabelli Pet Parents’ (the “Fund”) seeks to provide capital appreciation.
- The Fund will invest primarily in companies that actively participate in Companion Animal Food, Therapeutics, Diagnostics, Product Distribution, and related services.

## PORTFOLIO HIGHLIGHTS

|                     |             |
|---------------------|-------------|
| Ticker on Nasdaq    | PETZC       |
| NAV Symbol          | PETZCNX     |
| NAV - June 19, 2018 | \$10.00     |
| Total Net Assets    | \$1 million |
| Inception Date      | 06/19/2018  |

## NextShares™

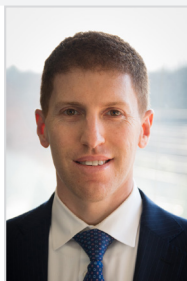
NextShares™ exchange-traded managed funds are a new way to invest in Gabelli Funds’ actively managed strategies.

- Because they are actively managed, NextShares offer the potential for benchmark-beating returns by applying Gabelli’s proprietary Private Market Value with a Catalyst™ approach.
- Because they trade on an exchange, NextShares may offer cost and tax efficiencies that can enhance shareholder returns.

## BACKGROUND

- The Gabelli Pet Parents’ Fund™ will, under normal market conditions, invest at least 80% of its net assets in the Pet and Companion Animal Industry.
- The global Pet Industry has grown at a 5%+ CAGR over the past 8 years.
- Total US spending on companion animals is approaching an all-time high of \$70B in 2018.

## PORTFOLIO MANAGEMENT



Daniel M. Miller

Dan is Executive Vice President of Gabelli Funds, LLC, and portfolio manager of several mutual funds, closed-end funds, and separate accounts. He launched the Gabelli Focus Five Fund, a concentrated best ideas strategy in 2012. Dan joined Gabelli in 2002 after graduating Magna Cum Laude from the University of Miami, and has held various investment and management positions.

## FEES AND EXPENSES

|                     |       |
|---------------------|-------|
| Management Fees     | 1.00% |
| Gross Expense Ratio | 4.58% |
| Net Expense Ratio   | 0.90% |

(1) Gabelli Funds, LLC (the “Adviser”) has contractually agreed to waive its investment advisory fees and/or to reimburse expenses of the Fund to the extent necessary to maintain the Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement (excluding brokerage costs, acquired fund fees and expenses, interest, taxes, and extraordinary expenses) from exceeding 0.90% of the Fund’s average daily net assets per year (the “Expense Cap”). This arrangement is in effect until January 31, 2018 and may be terminated only by the Board of Trustees of the Company (the “Board”) before such time. The Fund will carry forward, for a period not to exceed three years from the date that an amount is waived, any fees in excess of the expense limitation and repay the Adviser such amount provided the Fund is able to do so without exceeding the lesser of (1) the expense limit in effect at the time of the waiver or reimbursement, as applicable, or (2) the expense limit in effect at the time of recoupment.

## TOP SECTORS

|                                   |     |
|-----------------------------------|-----|
| Companion Animal Therapeutics     | 25% |
| Companion Animal Food             | 17% |
| Pet Services: Grooming & Boarding | 17% |
| Diagnostics & Medical Supplies    | 13% |
| Product Distribution              | 12% |
| Other                             | 16% |

## TOP TEN HOLDINGS

|                                 |       |
|---------------------------------|-------|
| Henry Schein (HSIC)             | 4.0%  |
| Zoetis (ZTS)                    | 3.5%  |
| Abaxis Inc. (ABAX)              | 3.0%  |
| Patterson Companies Inc. (PDCO) | 3.0%  |
| Colgate Palmolive (CL)          | 3.0%  |
| JM Smucker Company (SJM)        | 3.0%  |
| Spectrum Brands Holdings (SPB)  | 3.0%  |
| Nestle (NESN-VX)                | 3.0%  |
| PetIQ, Inc. (PETQ)              | 3.0%  |
| Idexx Laboratories, Inc. (IDXX) | 3.0%  |
| Total % of Top Ten              | 31.5% |

## WHY PET PARENTS

**85 million households have a companion dog or cat vs. 42 million households with a child under 25 years of age.**

**Millennials are the largest pet-owning generation 38% of millennials have dogs, 35% have cats.**

**Baby Boomers: 31% have dogs, 32% have cats.**

## U.S. PET STATISTICS



### Cats

94.2M across  
47.1M households



### Dogs

89.7M across  
60.2M households



### Birds

20.3M across  
7.9M households



### Fish

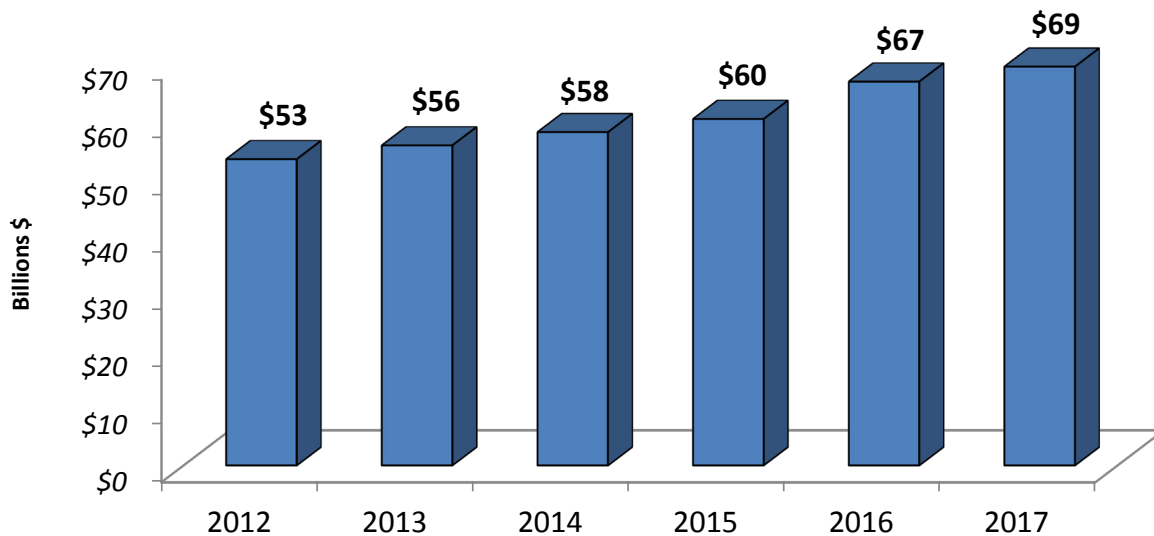
139.3M across  
12.5M households



### Reptiles

9.4M across  
4.7M households

## U.S. PET EXPENDITURES 2012-'17



## INVESTMENT OPPORTUNITIES IN FOCUS

**Pet Food** – Pet parents are prioritizing a healthier diet for their pets.

JM Smucker Company Inc. Manufacturer of pet food and treats.

- Recent acquisition of Ainsworth Pet Nutrition LLC.
- Nutrish brand incorporates dry dog food division.



FreshPet Inc. Manufacturer of refrigerated dog and cat food.

- Selection of food and treats available online and in grocery / pet stores across US, UK and Canada.



**Therapeutics** –Atopic dermatitis, kidney disease highlight common pet conditions.

Zoetis Inc. Animal medicines and vaccines in livestock and companion pets.

- Apoquel & Cytopoint® treatments help combat atopic dermatitis.
- Simparica® medication aids flea and tick prevention.



Kindred Biosciences, Inc. Drug developer for therapies in dogs and cats.

- Focus on atopic dermatitis -- \$500M+ potential market.
- epoCat™ drug in trial stages for anemia in cats; pivotal stage by Q4 '18.



**Diagnostics / Medical**- Veterinarians are relying more on diagnostics to aid pets.

Idexx Laboratories Corp. Manufacturer of products for Diagnostic testing.

- Captures 40% of diagnostic sector, plan to increase R&D with in Q2/Q3'18.
- 2 CBC tests and advanced hematology technology available.

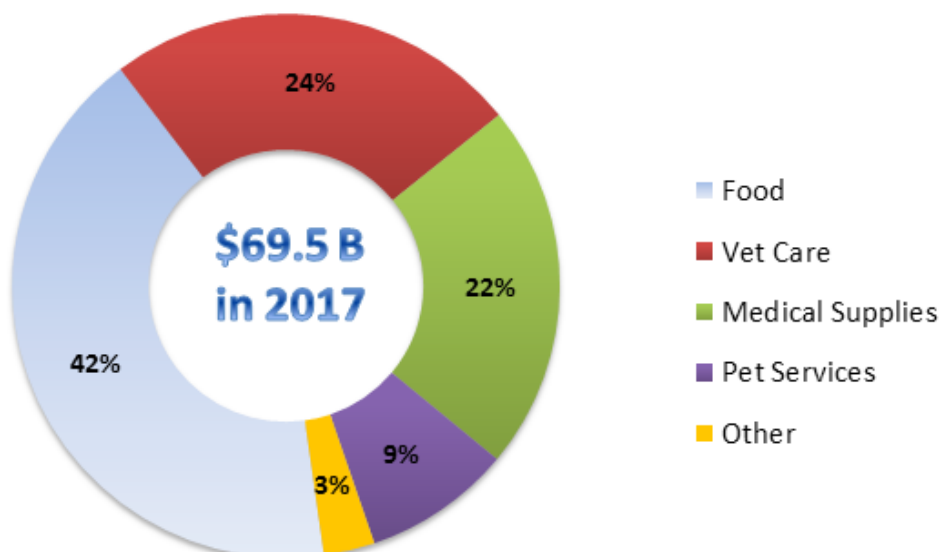


Heska Corporation vaccines for canine and feline; blood testing

- Veterinary diagnostic products: hematology , CBC, heartworm.
- High Definition Digital Radiology technology; works within cloud base.



## U.S. PET EXPENDITURES 2017



## IMPORTANT INFORMATION

**About NextShares:** As a new type of Fund, NextShares have a limited operating history and may initially be available through a limited number of brokers. There can be no guarantee that an active trading market for Shares will develop or be maintained, or their listing will continue or remain unchanged. Trading prices of shares may be above, at or below NAV, and may vary significantly from anticipated levels. Buyers and sellers of Shares will not know the value of their purchases and sales until the Fund's NAV is determined at the end of the trading day. Trading Prices of Shares are linked to the Fund's next computed NAV and will vary from NAV by a market determined premium or discount, which may be zero.

Shares of NextShares funds are normally bought and sold in the secondary market through a broker, and may not be individually purchased or redeemed from the fund. In the secondary market, buyers and sellers transact with each other, rather than with the fund. NextShares funds issue and redeem shares only in specified creation unit quantities in transactions by or through Authorized Participants. In such transactions, a fund issues and redeems shares in exchange for the basket of securities, other instruments and/or cash that the fund specifies each business day. By transacting in kind, a NextShares fund can lower its trading costs and enhance fund tax efficiency by avoiding forced sales of securities to meet redemptions. Redemptions may be effected partially or entirely in cash when in-kind delivery is not practicable or deemed not in the best interests of shareholders. A fund's basket is not intended to be representative of the fund's current portfolio positions and may vary significantly from current positions. As exchange-traded securities, NextShares can operate with low transfer agency expenses by utilizing the same highly efficient share processing system as used for exchange-listed stocks and ETFs. Buying and selling NextShares may require payment of brokerage commissions and expose transacting shareholders to other trading costs. Frequent trading may detract from realized investment returns. The return on a shareholder's NextShares investment will be reduced if the shareholder sells shares at a greater discount or narrower premium to NAV than he or she acquired the shares.

**Risk Factors:** Fund performance is sensitive to stock market volatility. Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical or other conditions. No fund is a complete investment program, and you may lose money investing in a fund, including loss of principal. The Fund may engage in other investment practices that may involve additional risks, and you should review the Fund prospectus for a complete description.

**Industry Concentration Risks:** The Fund invests a significant portion of its assets in companies in the companion pet industry, and, as a result, the value of the Fund's shares is more susceptible to factors affecting those particular types of companies and that industry, including governmental regulation, a greater price volatility than the overall market, rapid obsolescence of products and services, intense competition, and strong market reactions to pet industry developments. As a consequence of its concentration policy, the Fund's investments may be subject to greater risk and market fluctuation than a fund that has securities representing a broader range of alternatives.

**All investments are subject to risks, including possible loss of principal. Please carefully consider the investment objectives, risks, charges and expenses of Gabelli Pet Parents' NextShares before investing. Please carefully read a copy of the Gabelli Pet Parents' NextShares' prospectus before investing, which contains this and other information about Gabelli Pet Parents' NextShares; you can obtain a copy of the prospectus by calling 800-GABELLI (422-3554 ).**

The market price used to calculate the Market Price return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ.

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

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