

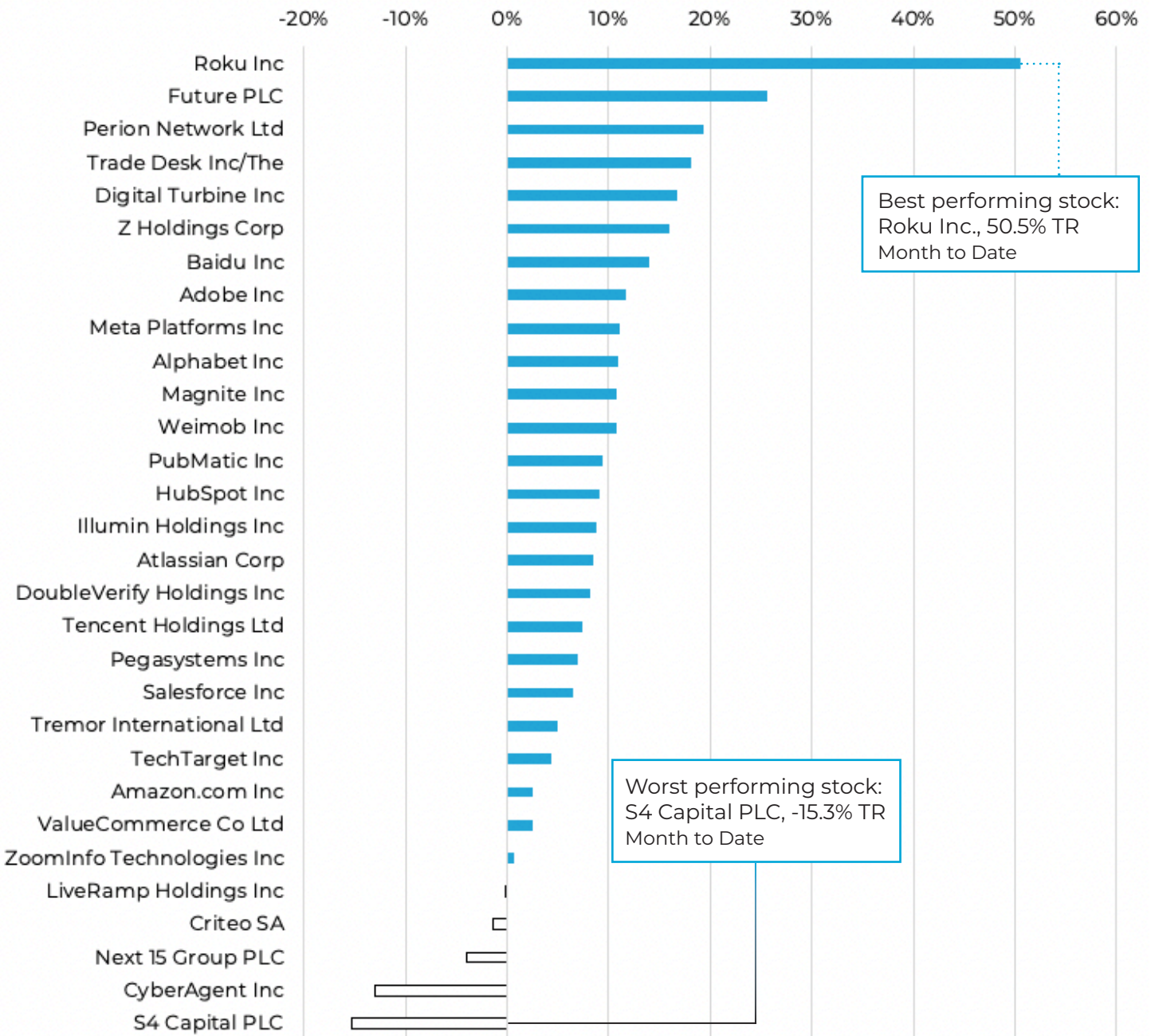


Portfolio Performance

as of 07/31/2023

MRAD outperformed its index in July by producing a total return of 8.03% on a net asset value basis (8.12% market basis), while the MSCI World Index produced a total return of 3.36%. Thanks to positive revenues and an increased number of active accounts, Roku surged ahead of the pack this month, while S4 Capital fell behind after warning of lower profits. Read on to see MRAD's latest performance, our newest portfolio addition, and this month's "Company Focus."

Holdings are subject to change. Go to SmartETFs.com/MRAD for current holdings.



Best performing stock:
Roku Inc., 50.5% TR
Month to Date

Worst performing stock:
S4 Capital PLC, -15.3% TR
Month to Date



Portfolio Performance

Roku was the best performer in the month. After near-flat revenue growth in the last two quarters, Roku's top line accelerated to 11% growth in the latest quarter, with revenue coming in at \$847.2 million, easily beating the consensus of \$773.4 million. While management said headwinds in digital advertising continued to persist, especially in areas such as tech and media and entertainment, other verticals showed signs of recovery, such as consumer packaged goods, health, and wellness.

That wasn't the only positive sign in the quarter. The number of active accounts climbed 16% from a year ago to 73.5 million as the company signed up 1.9 million users in the quarter. Streaming hours jumped 21% to 25.1 billion, showing that Roku continues to capitalize on the shift from linear TV to streaming.

The company also took significant steps to narrow its EBITDA loss in the second quarter, coming in at -\$17.8 million. On the bottom line, Roku's loss per share improved from \$0.82 to \$0.76, which easily beat the analyst consensus of a loss of \$1.27. In addition to the numbers, Roku is making progress in its strategic goals. The Roku Channel had its biggest audience ever, capturing 1.1% of total U.S. TV viewing time in May, according to Nielsen.

S4 Capital was the worst performer in the month, after it warned that profits would be lower than expected this year as clients continued to tighten marketing budgets. The company said net revenue in the second quarter was below expectations, particularly in May and June, reflecting challenging conditions for clients, "especially those in the technology sector", which make up about half of its revenues.

The company is now targeting like-for-like revenue growth this year of 2-4%, rather than the previous 6-10% range. Profit margins will also be slightly lower than expected, and the group said they had now paused acquisitions while it integrated the various companies acquired over the past few years, with its low share price now making it difficult to do deals using its stock.

MRAD

The SmartETFs Advertising and Marketing Technology ETF

August 2023 Update



SmartETFs

Portfolio Performance

As of 07/31/2023	1 Month	6 Months	YTD	1 Year	Since Inception (12/31/20)
MRAD at NAV	8.03%	12.24%	29.02%	10.78%	-15.90%
MRAD at Market Price	8.12%	12.73%	29.48%	11.25%	-15.95%
MSCI World NR	3.36%	11.09%	18.95%	13.48%	6.84%

As of 06/30/2023	1 Month	6 Months	YTD	1 Year	Since Inception (12/31/20)
MRAD at NAV	3.53%	19.42%	19.42%	4.55%	-18.94%
MRAD at Market Price	3.61%	19.76%	19.76%	5.07%	-19.01%
MSCI World NR	6.05%	15.09%	15.09%	18.51%	5.67%

Expense Ratio: 0.68% (net) | 7.51% (gross)

The Adviser has contractually agreed to reduce its fees and/or pay ETF expenses in order to limit the Fund's total annual operating expenses to 0.68% through June 30, 2026.

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance data quoted. Performance data current to the most recent month-end may be obtained by visiting [SmartETFs.com](https://www.smartetfs.com), or calling (866) 307-5990. The returns shown are cumulative for the period, not annualized. Market prices return is based on the market price of Fund shares as of the close of trading on the exchange where the shares are listed.



Buys & Sells

— Buys

+ **DoubleVerify** is a leading software platform for digital media measurement, data, and analytics. DoubleVerify provides online media verification and campaign effectiveness solutions for brand marketers, agencies, advertising networks, demand-side platforms, exchanges, and digital publishers looking to ensure quality advertising environments, campaign transparency, and performance. DoubleVerify's technology platform provides advertisers with consistent and unbiased data and analytics that can be used to optimize the quality and return on digital ad investments. The company's reach is enabling it to become like a "currency" or an accepted standard for measuring authenticity and effectiveness of ads across platforms. The company enjoys a sticky revenue stream of large, stable brands given DoubleVerify is not easily extracted or removed, because the workflow becomes part of how customers buy, and the metrics become part of the system of their media buying process. It is therefore difficult for new market entrants to take meaningful share because a network effect, requiring accreditation and a critical mass of brands plus advertisers, poses a hurdle.

Company in Focus: META Platforms, up 155% YTD

Q2 Earnings Call

Very good quarter for Meta as they maintain their YTD momentum. They've exceeded expectations on revenue and profits, and their Q3 guidance far surpasses predictions, with a midpoint of \$33.25 billion, over 6% higher than estimates. Additionally, they've highlighted a robust rebound in the digital advertising market, surpassing projections. This success reflected in their shares, which rose by around 7% during extended trading.

Revenues

Meta reported double-digit revenue growth for the first time since the fourth quarter of 2021. Revenues were up 11% YoY and were driven by a surprisingly robust ad market, with usage and ARPU both coming in stronger than expected.

Usage

Progress led by rising platform-wide time spent and rising monetization of the new engagement (in particular on Reels)

- Daily Active Users (DAUs): 2.06 billion vs 2.04 billion expected.
- Monthly Active Users (MAUs): 3.03 billion vs 3 billion expected.
- Average Revenue per User (ARPU): \$10.63 vs \$10.22 expected.

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Company in Focus: META Platforms, up 155% YTD (continued)

Reels

This was a "reel" positive over the quarter and continues to be a core growth driver for Meta. Reels has now reached over 200bn views per day vs. 140bn views in Q3 2022 and continues to drive incremental engagement / time spent. Reels monetization is also ramping up stronger than expected (as the recommendation, targeting, and measurement algorithms improve), now at a \$10bn run rate. Interestingly, over 75% of META advertisers are now spending ad dollars on Reels.

Click to Add Messages

These messages are helping Meta monetize WhatsApp. Meta don't give specific revenue figures but noted revenues are +80% YoY and the number of businesses using paid messaging products is up 2X YoY.

Strong AI Pipeline

Meta are developing a range of AI tools which will help improve the personalization of user feeds, boost the effectiveness of advertising (Advantage Plus AI tool which helps optimize ad placement) and improve productivity internally (via chatbots and other productivity gains). They are also developing their open source LLM (Llama 2), which Zuckerberg intends to make "deals" with the largest companies with public cloud offerings such as Microsoft or Amazon or Google that might use its technology at scale.

Reality Labs

One negative coming out of the quarter continues to be the Reality Labs unit. On the management call, Zuckerberg doubled down, and continued to back the firms AR/VR investments. Sales were \$276 million for the quarter, 34% below consensus. The unit also posted a loss of \$3.7 billion. Management expect Reality Labs losses to "increase meaningfully year-over-year due to our ongoing product development efforts in augmented reality/virtual reality and investments to further scale our ecosystem".

Guidance

Meta forecast third-quarter revenues of \$32 billion to \$34.5 billion (meaningfully ahead of consensus of \$31.3 billion). Regarding costs, Meta forecast 2023 CAPEX of \$27bn - \$30bn, down from a prior estimate of \$30bn - \$33bn. The reduced forecast is due to both cost savings, particularly on non-AI servers, but mainly due to pushing out CAPEX to 2024 (given delays in projects and equipment deliveries rather than a reduction in overall investment plans).



There's more where that came from!

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Disclosure

MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI world index does not offer exposure to emerging markets.

Indexes are unmanaged. Direct investment in an index is not possible.

Capital Expenditure (CAPEX) are payments made for goods or services that are recorded or capitalized on a company's balance sheet instead of expensed on the income statement. These funds are often used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) is an alternate measure of profitability to net income. EBITDA attempts to represent cash profit generated by the company's operations.

Investing involves risk, including possible loss of principal.

The companies in which the Fund invests may be subject to rapid changes in technology, intense competition, rapid obsolescence of products and services, evolving industry standards, and changes in business cycles and government regulations. These risks can adversely affect the value of companies in which the fund invests.

Consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. For a prospectus or summary prospectus with this and other information, please call (866) 307-5990 or visit our website at www.SmartETFs.com. Read the prospectus or summary prospectus carefully before investing.

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