DIVS

The SmartETFs Dividend Builder ETF

February 2022 Update

SmartETFs

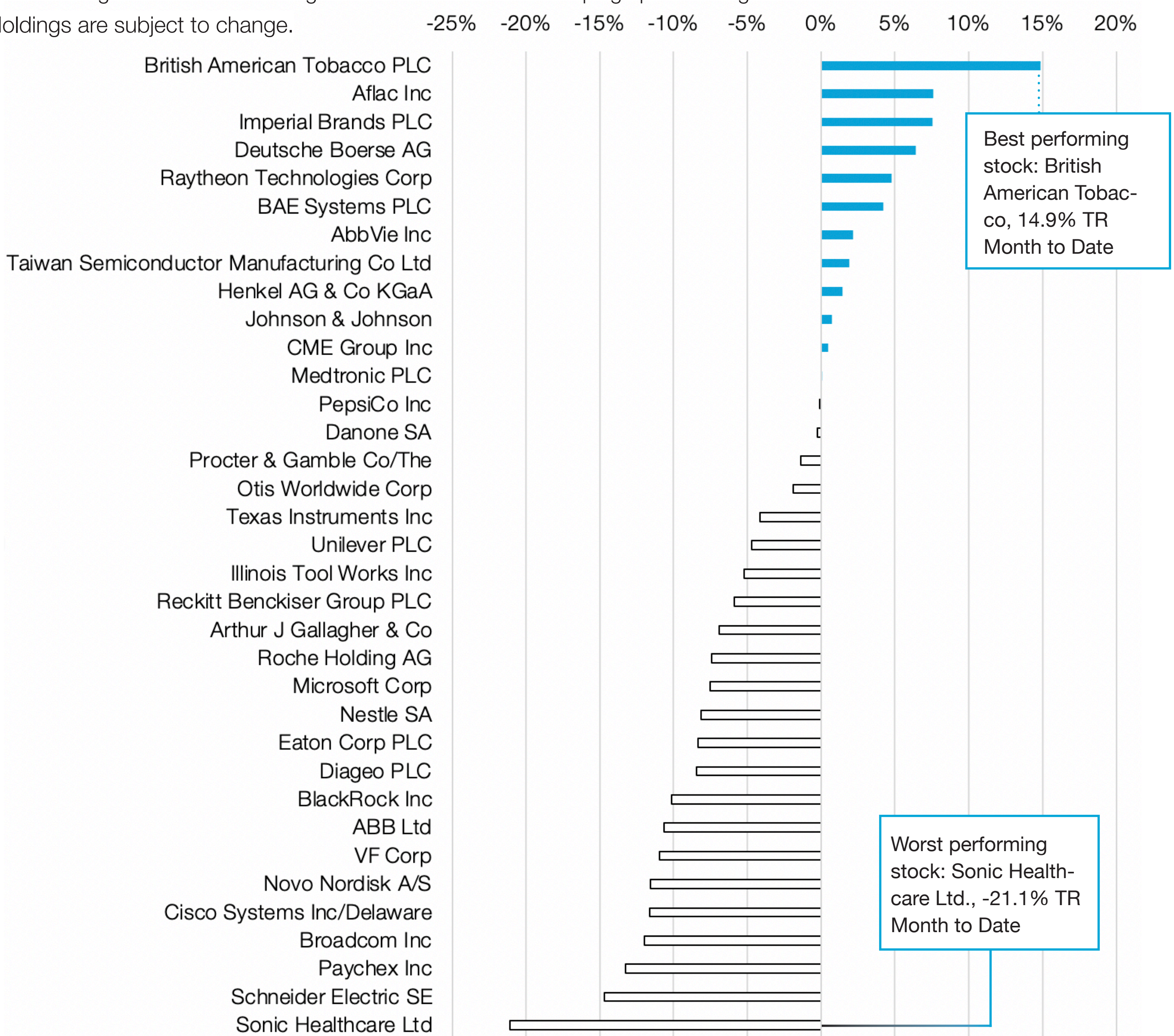
Portfolio Performance

as of 1/31/2022

In January, DIVS was down -4.50% (NAV basis), and the MSCI World Index benchmark was down -5.29% (in USD). In January, global equity markets broadly sold off as investors digested concerns over inflation, the prospects of rising interest rates, and the pace of global economic recovery. Growth stocks – and those on higher valuation multiples – were most affected, while defensive sectors and value-oriented stocks performed relatively better. The Fund's lack of exposure to the Energy and Banking industries (which were the best performing industries) proved to be a drag on performance, however, this was more than offset by good allocation and stock selection within the Consumer Staples and Industrials sectors – with particularly strong performance from our tobacco and defense holdings.

As we have seen repeatedly since the launch of the Fund, our focus on high quality and persistently profitable businesses, as well as a good mix between defensive and cyclical holdings, has generally meant that the Fund's performance has tended to better manage downside risk during market downturns while keeping up with rising markets.

Holdings are subject to change.



British American Tobacco (BATS) is the world's largest cigarette and tobacco manufacturer by revenue, selling well-known brands such as Lucky Strike, Dunhill, Kent, Pall Mall, B&H and Camel. Low manufacturing costs, inelastic demand, and significant pricing power enables BATS to maintain high profit margins, and in turn return capital to shareholders.

While the threats to the business are well known (e.g. fall in cigarette smoking, increased regulation, higher taxes, slow growth of alternative products), the share price of BATS performed well in January as investors sought companies with high dividend yields and low valuations. The addictive nature of cigarettes gives tobacco businesses significant pricing power and with that, low cyclicality. This tends to protect against macro headwinds, while giving investors the opportunity to earn a growing dividend income as well as capital appreciation.

While the prominence of health regulations has weighed on the returns generated by tobacco companies in the last few years, there is potential upside from the environmental, social, and corporate governance (ESG) initiatives that BATS is undertaking to facilitate the transition from cigarette smoking to alternative tobacco – and less harmful – products, as well as to mitigate environmental externalities. Taking the example of BATS, the company has positioned itself to capture growth in new nicotine categories like vaping products, heated tobacco, and nicotine pouches. Albeit from a low base, these "better-ESG" business lines are fast-growing and have potential to meaningfully contribute to a higher earnings growth profile for BATS. Further, the lower health risks associated with next-gen products may dampen fears over regulatory intervention in the cigarette business, which could well lead the market to rerate the company's currently depressed valuation multiples.

Amongst its ESG targets, BATS cites that it seeks to increase the number of its non-combustible product consumers from 11 million to 50 million by 2030; and to achieve at least £5 billion in New Categories revenues by 2025. The company's wider ESG targets also include being completely carbon neutral in its own operations (scope 1 and 2 emissions) by 2030 and in its wider operations (scope 3 emissions) by 2050; as well as making sure that all plastic packaging used by the company is recyclable or compostable by 2025.

Sonic Healthcare was the worst performer in the month. The Australian healthcare company provides medical diagnostic services to clinicians, hospitals, community health services and private patients globally, and most revenues (~85%) is generated from Pathology. While the company's share price has benefitted from increased demand of COVID PCR tests over the last 2 years – and particularly in December 2021 due to the Omicron variant – investors took profits in January with most expecting COVID to become endemic and demand to thus moderate. Further Sonic Healthcare cited that some testing clinics in Australia – Sonic's largest revenue market – had to close due to supply chain issues which led to a shortage of testing equipment.

Longer term, we see Sonic Healthcare as having a strong market position in a consolidating industry, which provides opportunities to gain market share and boost organic growth. The company has a strong balance sheet with little debt, and a high persistent cashflow return on investment. Further, the dividend has grown every year for the last 10 years, and the company is currently attractively valued.

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As of 1/31/2021	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	-4.50%	20.21%	16.89%	13.94%	11.33%
DIVS at Market Price	-4.50%	20.21%	16.89%	13.94%	11.33%
MSCI World NR	-5.29%	16.53%	16.55%	13.24%	11.05%

As of 12/31/2021	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	23.60%	23.60%	20.70%	15.38%	11.96%
DIVS at Market Price	23.60%	23.60%	20.70%	15.38%	11.96%
MSCI World NR	21.82%	21.82%	21.68%	15.02%	11.77%

Expense Ratio: 0.65% (net) | 1.42% (gross)

30-Day SEC Yield (as of 1/31/22): 2.97% subsidized | 0.37% unsubsidized

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 0.65% through June 30, 2025.

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, 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. Performance would have been lower without fee waivers and or reimbursements in effect.

Effective as of the close of business on March 26, 2021, the fund acquired the assets and assumed the performance, financial and other historical information of the Guinness Atkinson Dividend Builder Fund, an open-end mutual fund (incepted March 30, 2012). The fund's investment objectives, strategies and policies are substantially similar to those of the predecessor mutual fund and it was managed by the same portfolio managers. Performance information for periods prior to March 26, 2021 is the historical performance of the predecessor mutual fund and reflects the higher operating expenses of the predecessor mutual fund. The fund has lower expenses than the predecessor mutual fund. For periods prior to March 29, 2021, the fund's performance would have been higher than shown had it operated with the fund's current expense levels.

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Disclosure

MSCI World Index captures large and mid cap representation across 23 Developed Markets countries. With 1,583 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

NAV is the dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Market Price is the current price at which an asset or service can be bought or sold. The market price of an asset or service is determined by the forces of supply anad demand. The price at which quantity supplied equals quantity demanded is the market price.

Indexes are unmanaged. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

Dividend yield is calculated by adding the dividends paid over the last 12 months and dividing by the current share price.

SEC Yield is based on the most recent 30-day period covered by the fund's filings with the SEC. The yield figure reflects the dividends and interest earned during the period after the deduction of the fund's expenses. Unsubsidized SEC Yield does not include the effect of any fee waivers or reimbursements.

The Fund invests in securities that pay dividends, and there is no guarantee that the securities held by the Fund will declare or pay dividends in the future, or that dividends will remain at current levels or increase. Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries. For more information on the risks of investing in this Fund, please see the prospectus.

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.

Shares of the Fund are distributed by Foreside Fund Services, LLC.