DIVS

The SmartETFs Dividend Builder ETF

March 2022 Update

SmartETFs

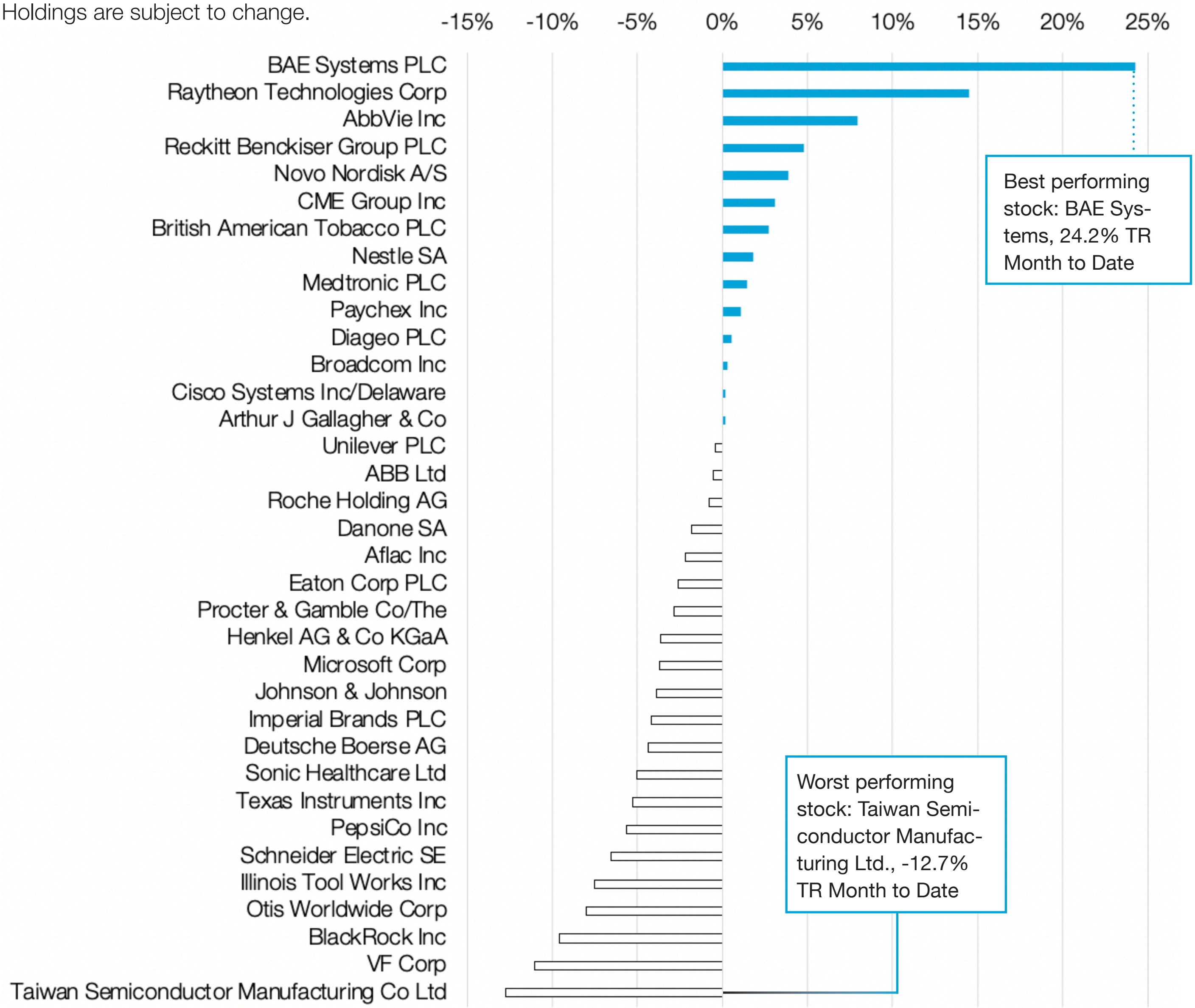
Portfolio Performance

as of 2/28/2022

In February, DIVS was down -1.39% (NAV basis), and the MSCI World Index benchmark was down -2.53% (in USD). Global equity markets sold off as geopolitical tensions spiked amid Russia's invasion of Ukraine, and investors also continued to digest concerns over inflation, the prospects of rising interest rates, and the pace of the global economic recovery. Growth stocks – and those on higher valuation multiples – continue to be most affected, whilst defensive sectors and value orientated stocks performed relatively better. This proved beneficial to the Fund.

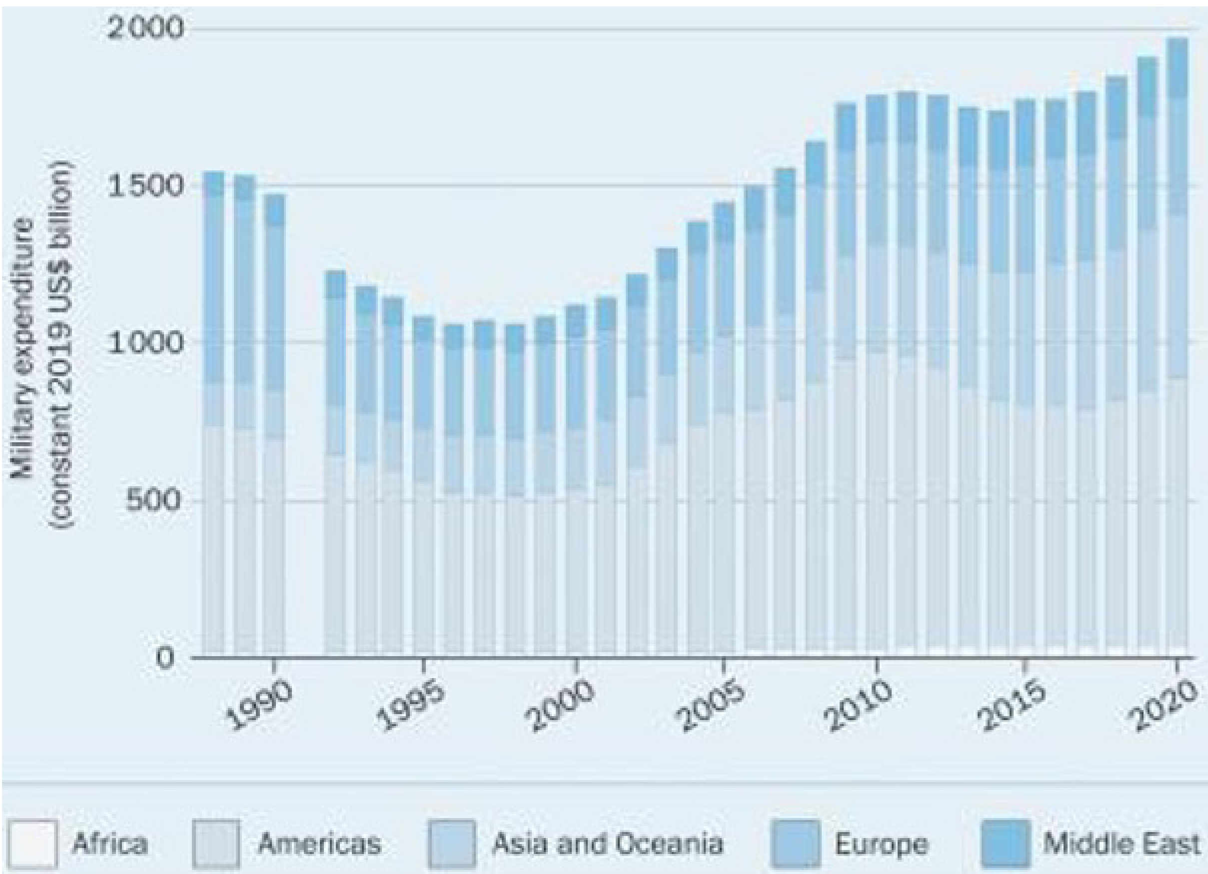
Expectantly, those companies with greater exposure to Russia and Ukraine sold off significantly given that they were weighed down by uncertainty and the potential for heavy international sanctions. In the Fund we do not own any Russian or Ukrainian companies, nor do we own any companies domiciled in Eastern Europe. We also do not own any companies which generate a significant portion of revenue from these countries or have significant operations there. The Fund's holdings have therefore, so far this year, been relatively protected against some of the intense drawdowns seen elsewhere in the market. We also do not anticipate that any of our companies face a threat to cut or cancel their dividend payment.

Holdings are subject to change.



BAE Systems PLC the British multinational manufacturer of advanced defense, security and aerospace systems – is the largest defense contractor in Europe (by revenue) and the 3rd largest in the world. The company has diversified exposure to many key defense markets and many key defense programs; strong recent share price performance therefore comes as no surprise given the rise in geopolitical tensions and the prospect of continued growth – perhaps at a faster rate – in overall global defense spending, which has grown every year since 2014 and almost doubled over the last 20 years.

World Military Expenditure, by region
1998 - 2020



Source: SIPRI Military Expenditure Database. Data as of April 30, 2021.
Notes: The absence of data for the Soviet Union in 1991 means that no total can be calculated for that year.
Rough estimates used for the Middle East are included in the world totals for 2015-2020.

Most European countries have increased defense spending in recent years, but several countries – most notably Germany – remain well below the 2% of GDP NATO target. We expect accelerated defense spending will be an important feature of European budgets, and an important area of growth for the market in future years.

BAE Systems generates c.50% of revenue from the US, where it is one of the six largest suppliers to the US Department of Defense, and around 25% from Europe. Around 45% of total revenue is recurring and comes from the provision of support services on incumbent long-term military programs; this provides high visibility and stability of revenues and cashflows, in turn reducing the cyclicality of BAE Systems' business.

Longer term, growing global defense spending bodes well for BAE Systems. Biggest contributors to growth are the ramp-up of the F-35 fighter jet, US combat vehicle deliveries, US Navy ship repair, and UK and Australian maritime activity.

- BAE has 15% program share and an incumbent position on the F-35 Lightning II fighter jet, the world's largest program, which could aid production and support revenue for decades.
- BAE's Typhoon Fighter Jet is one of the main front-line aircrafts of the UK Royal Air Force (RAF). BAE is currently developing a 6th-Gen jet fighter aircraft for the RAF marketed as the "Tempest" along with the Ministry of Defense, Rolls-Royce, Leonardo S.p.A. This is intended to replace the Typhoon aircraft, in service with the RAF, in 2035.
- US combat vehicles and US navy are set to double their fleet orders from BAE in next 5 years.

Taiwan Semiconductor Manufacturing Co. (TSMC) was the worst performer in the month. As the world's largest pure-play foundry and maker of semiconductor chips, TSMC has 50% of global market share and makes integrated circuits for customers based on their proprietary designs. The company has leading technology and R&D capabilities that are unrivalled, as well as exposure to numerous growth drivers including high-power computing, Internet of Things, electric and autonomous vehicles, AI, and smartphones. Recent underperformance comes after Russia's invasion of Ukraine led to a spike in the cost of raw materials; in particular, Ukraine is a major supplier of gases used in semiconductor manufacturing such as neon, argon, krypton and xenon. A supply-risk in these increases their prices and adds to margin woes for TSMC. Further, the conflict has increased worries about Taiwan-China relations, and this has also weighed on the sentiment for TSMC's stock.

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As of 2/28/2022	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	-5.32%	18.70%	15.29%	13.11%	11.14%
DIVS at Market Price	-5.55%	18.28%	15.16%	13.03%	11.10%
MSCI World NR	-7.69%	10.74%	16.55%	14.43%	10.67%

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 2/28/22): 1.35% subsidized | 0.92% 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.

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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Quick Review of February 2022

Geopolitics and macroeconomics contributed to a tumultuous month for markets in February. The month started on a positive note for equity markets, piggybacking off the late January rally, as investors remained skeptical that the US Federal Reserve (Fed) would hike interest rates by 0.5% at the March Federal Open Market Committee meeting. The early rally quickly faded though, as January CPI data in the US came in hotter than expected, with headline and core inflation at the highest levels since 1982. With this came renewed calls for higher interest rates which then dampened the prospects for growth stocks, particularly affecting those companies with elevated stock valuations and/or weak fundamentals. Such companies are screened out of the Fund's investment universe by our stringent focus on persistently profitable companies with strong balance sheets.

In the second half of the month, the focus began to heavily shift to geopolitics as headlines were dominated by Russia's invasion of Ukraine. The devastating human consequences eclipse any financial ones, and as typical in times of heightened uncertainty, markets sank on the news of invasion. A short rally followed as sanctions were initially seen to be less severe than expected, but after fighting picked up over the final weekend of the month, harsher sanctions were introduced (including removing some Russian banks from the SWIFT network and freezing Russian central bank assets held in the US), and markets trended downwards overall.

While the sanctions themselves are likely to have a limited impact on the global economy, the main concern for market participants is the impact of war on inflation. Russia has a very small equity exposure in the global indices, making up only 3% of the MSCI Emerging Markets Index and just 0.4% of the MSCI All-Country World Index. However, Russia is the third-largest oil producer in the world, producing about 11 million barrels per day (13% of global oil production), exporting about 4.3 million barrels per day, and supplying about 25% of Western Europe's oil imports. Russia also accounts for about 17% of global gas production, and is a crucial exporter, accounting for 40% of Western Europe's gas imports.

Any disruption to oil and gas supply, therefore, could have a material impact on energy prices, increasing the risk of a stagflation environment, i.e. one of slowing economic growth but high inflation. As the market digests the macro and policy implications of this, we are confident from a bottom-up perspective that the companies we hold in the Fund are well placed from a pricing power standpoint, and we note that the defensive nature of the portfolio – which has outperformed in all market corrections since launch in 2012 – gives us confidence heading into more volatile markets. Like in the past, our perpetual approach of focusing on quality compounders and dividend-growers should continue to stand us in good stead in our search for rising income streams and long-term capital growth.

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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.

MSCI Emerging Markets Index captures large and mid cap representation across 25 Emerging Markets countries. With 1,420 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.