DIVS

The SmartETFs Dividend Builder ETF

July 2023 Update

SmartETFs

Portfolio Performance

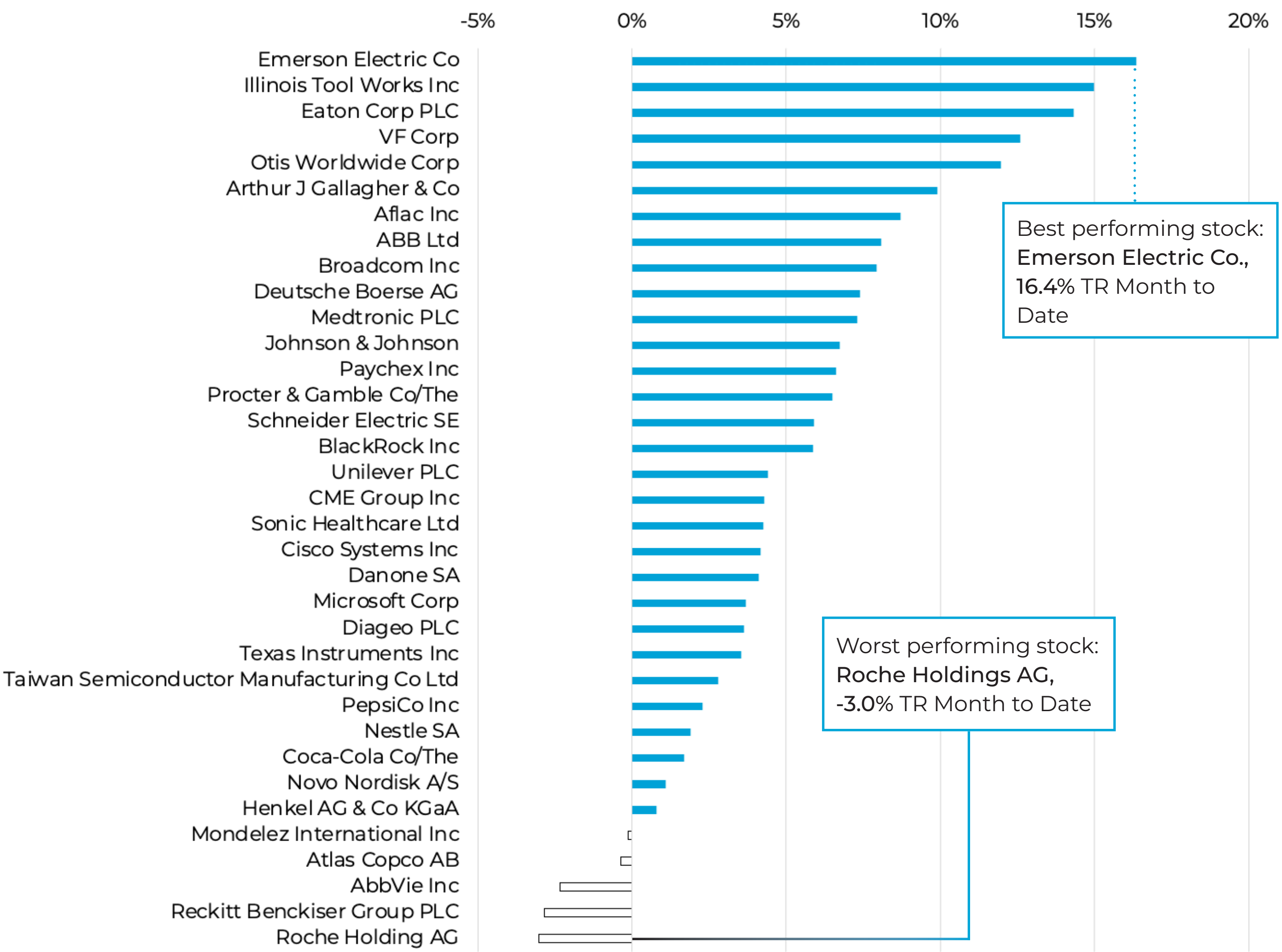
as of 06/30/2023

In June, DIVS was up 4.70% (NAV basis, 4.79% market price), while the MSCI World Index benchmark was up 6.05%. Over the second quarter, DIVS underperformed the MSCI World Index, which can be attributed to:

- Growth outperforming Value, particularly from the more speculative areas of the market, which acted as a headwind.
- An underweight allocation to Information Technology (15.0% vs 20.8% for the index) and Consumer Discretionary (2.0% vs 10.6% for the index) as these were the two best performing sectors over the quarter.
- The Fund also maintains a large overweight allocation to Consumer Staples (28.0% vs 7.8% for the index). The sector was up just 20 basis points over the second quarter and therefore this underperformance was a net drag for the Fund.
- On a more positive note, the Industrials sector performed well, particularly over the last month of the quarter given a rotation towards more cyclical names. Strong stock selection from the Fund's Industrial names including Eaton Corp (18.0%), ABB (14.5%) and Atlas Copco (14.3%) acted as a tailwind.

Read on for the latest DIVS performance, dividend update, and how manager stock selection performed over the quarter.

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



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As of 06/30/2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	10.84%	15.63%	14.05%	11.15%	9.81%	10.33%
DIVS at Market Price	11.28%	16.00%	14.32%	11.31%	9.88%	10.40%
MSCI World NR	15.09%	18.51%	12.18%	9.07%	9.50%	9.55%

Expense Ratio: 0.65% (net) | 1.22% (gross)

30-Day SEC Yield (as of 6/30/23): 1.45% subsidized | 1.12% 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, 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, 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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Dividend Summary

So far, in 2023, we have had dividend updates from 27 of our 35 holdings.

- 24 companies announced increases for their 2023 dividend vs 2022. The average dividend growth these companies announced was 7.4%.
- 2 companies announced a flat dividend vs 2022.
- 1 company announced a dividend cut.
- 0 companies announced dividend cancellations.

The Fund's dividend yield at the end of the quarter was 2.17% (net of withholding tax) vs the MSCI World Index's 2.06% (gross of withholding tax).

A moderate dividend yield, albeit ahead of the Index, is characteristic of the Fund because our focus is not on simply finding the highest-yielding companies, but instead on finding high-quality, cash-generative businesses which can consistently grow their dividend stream year-on-year.

Explicitly screening for persistently profitable companies also means that many industries – regulated sectors such as Utilities, Telecommunications and Banks, and commodity-led sectors such as Energy and Materials – tend not to appear in our investible universe. These excluded industries often contain companies that exhibit the highest dividend yields, though we believe these same companies have a relatively greater risk of dividend cuts (as we saw in 2020) and are less likely to grow their dividend over time.

Q2 Stock Performance

Broadcom was the Fund's best performer over the quarter. The majority of these gains came in May, with the stock gaining ~30% off the back of very strong performance from the Semiconductor sector. Broadcom are a developer, manufacturer, and supplier of semiconductor software products and are therefore strategically well placed to benefit from the vastly heightened demand that is being driven by the current generative AI hype. While the bullish AI sentiment has been a welcome tailwind for the semiconductor industry year to date, Broadcom particularly benefited from Nvidia's blow out earnings results earlier in the quarter. These quantified the immense demand for the semiconductor chips which power AI compute capacity. As a range of businesses continue to explore ways of leveraging AI, we continue to view the semiconductor industry as a good way to gain exposure to the flourishing AI sector and remain optimistic on the substantial demand tailwinds that his will cause for the Broadcom business.

Microsoft also had a strong quarter, up 18.4%. Shares of the technology behemoth have been rallying as investors grow increasingly optimistic about the introduction of generative AI features that are being added into its suite of products & services. While still in the early stages of this transformation, Microsoft is overhauling its entire lineup of Office apps (including Excel, PowerPoint, Outlook and Word) with generative AI technology, which is leveraging technology from OpenAI, the startup behind ChatGPT in

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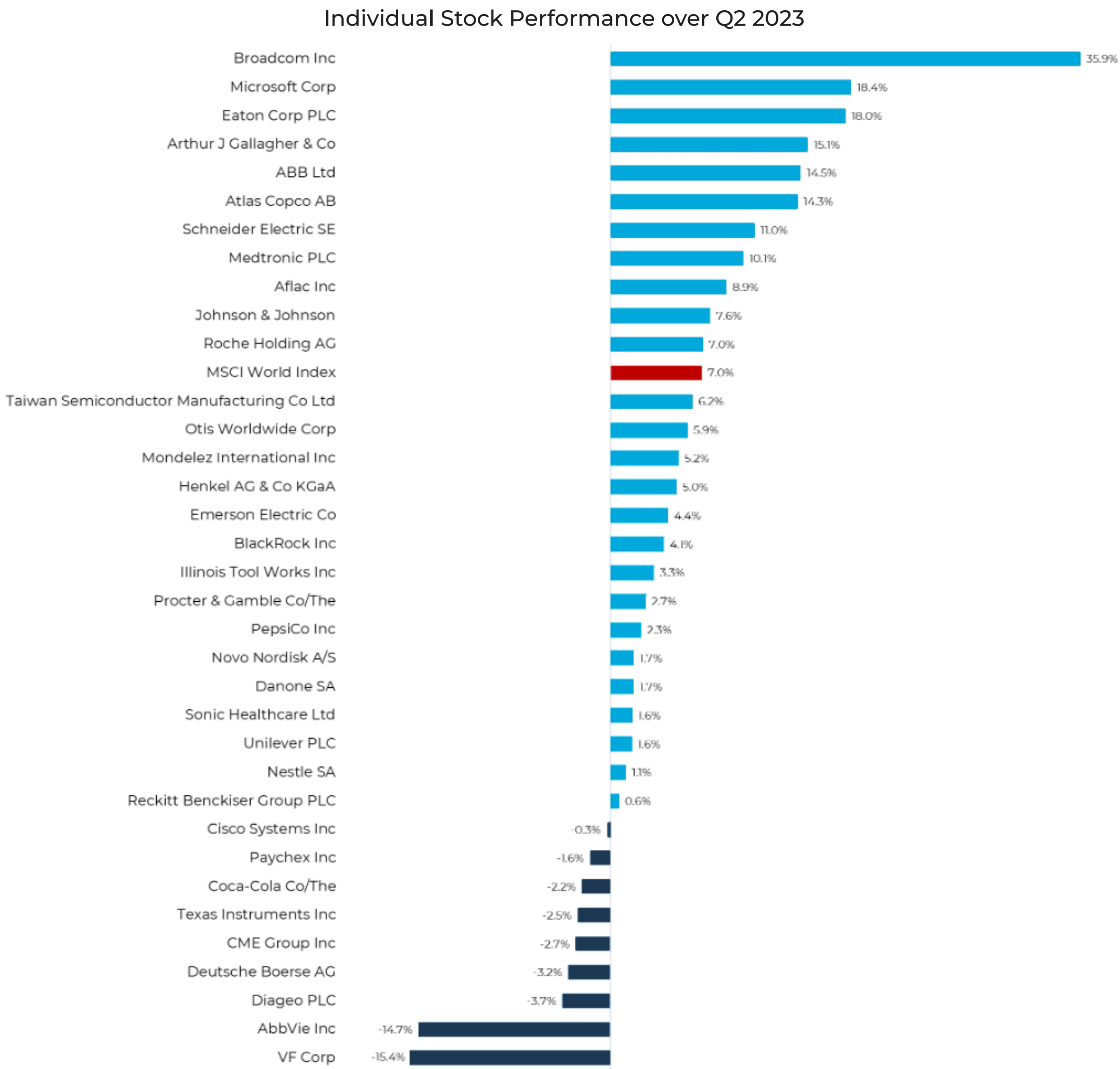
July 2023 Update

Q2 Stock Performance (continued)



Source: Bloomberg, MSCI. Data as of June 30, 2023.

which it invested $10bn earlier in the year. Microsoft has also benefited from the general stylistic preference of growth stocks, as well as the AI trend, but we believe that AI demand is meaningfully driving their business in a tangible way. Microsoft CFO Amy Hood told investors that new AI-powered services

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Q2 Stock Performance (continued)

will contribute at least $10 billion to the company's top lines in the years to come and will present a sustained and meaningful growth driver throughout the AI cycle. This tailwind was supported by solid Q2 results, which showed robust demand from Microsoft's Intelligent Cloud (a suite of cloud-based b2b services, including advanced AI capabilities) that is structurally well placed to benefit from strong market demand. Microsoft has therefore been rewarded by the market for an early move towards embracing the next wave of AI technology.

VF Corp was the weakest performer of the quarter, closing down -15.4%. It was a tough start to the quarter for the apparel, footwear, and accessories company, given a mixed set of earnings results and cuts to FY2023 guidance. While market sentiment cooled, management have outlined a clear plan to turn the prospects around including a halving of leverage over the next 2 years as well as the exploration of non-core asset sales to raise capital for debt reductions and growth initiatives. More encouraging news emerged over June that VF Corp have appointed Bracken Darrell as their new President and CEO. Darrell joins from Logitech, where he served as President & CEO for over a decade with a hugely successful tenure. At Logitech, he turned around the business by expanding into new categories and improving market share through the introduction of new and innovative products. While VF Corp is still faced with a number of headwinds, we see the potential for strong operational execution from the new management team, coupled with a return to growth and a deleveraging of the balance sheet, as key catalysts for a rebound in the stock's performance.

AbbVie also performed poorly, losing -14.7% over the quarter. While not unexpected, the company's two-decade monopoly on blockbuster arthritis drug Humira came off patent earlier in the year. After years of being the world's top-selling drug, the pharmaceutical giant has since been faced with a range of competitors, most notably Amgen, who announced a biosimilar knockoff at a 55% discounted price. Other biosimilars from major pharma players including Organon, Boehringer Ingelheim, and Pfizer have also emerged, making the marketplace increasingly more competitive. While the Humira patent cliff is undoubtedly a large headwind for the business (Humira was responsible for ~$20bn in 2022 revenues), AbbVie have an immense pipeline of new treatments which will pose as significant growth drivers over the mid to long term. This pipeline includes 90 programs, with more than 50 of them in phase 2 or phase 3 trials. Not counting Humira, AbbVie had 11 therapies with $1 billion or more in sales last year, including two rising immunology drugs, Skyrizi and Rinvoq. The company has guided that these two drugs could bring in more than $15 billion in annual combined sales by 2025. They're already on the way, with $6.5 billion in sales last year. Therefore, the company's long-term prospects are strong, and we believe they remain well placed to benefit from a long pipeline of exciting new products.

There's more where that came from!

Join our newsletter at SmartETFs.co/newsletter or follow us on Twitter @SmartETFs!

Important Information

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.

Basis Point are a unit of measure used in finance to describe the percentage change in the value of financial instruments or the rate change in an index or other benchmark. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

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

Must be preceded or accompanied by a prospectus. *https://www.SmartETFs.com/wp-content/uploads/2021/03/SmartETFs-DIVS-Summary-Prospectus.pdf*

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.

Investing in securities involves risk and there is no guarantee of principal.

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