DIVS

The SmartETFs Dividend Builder ETF

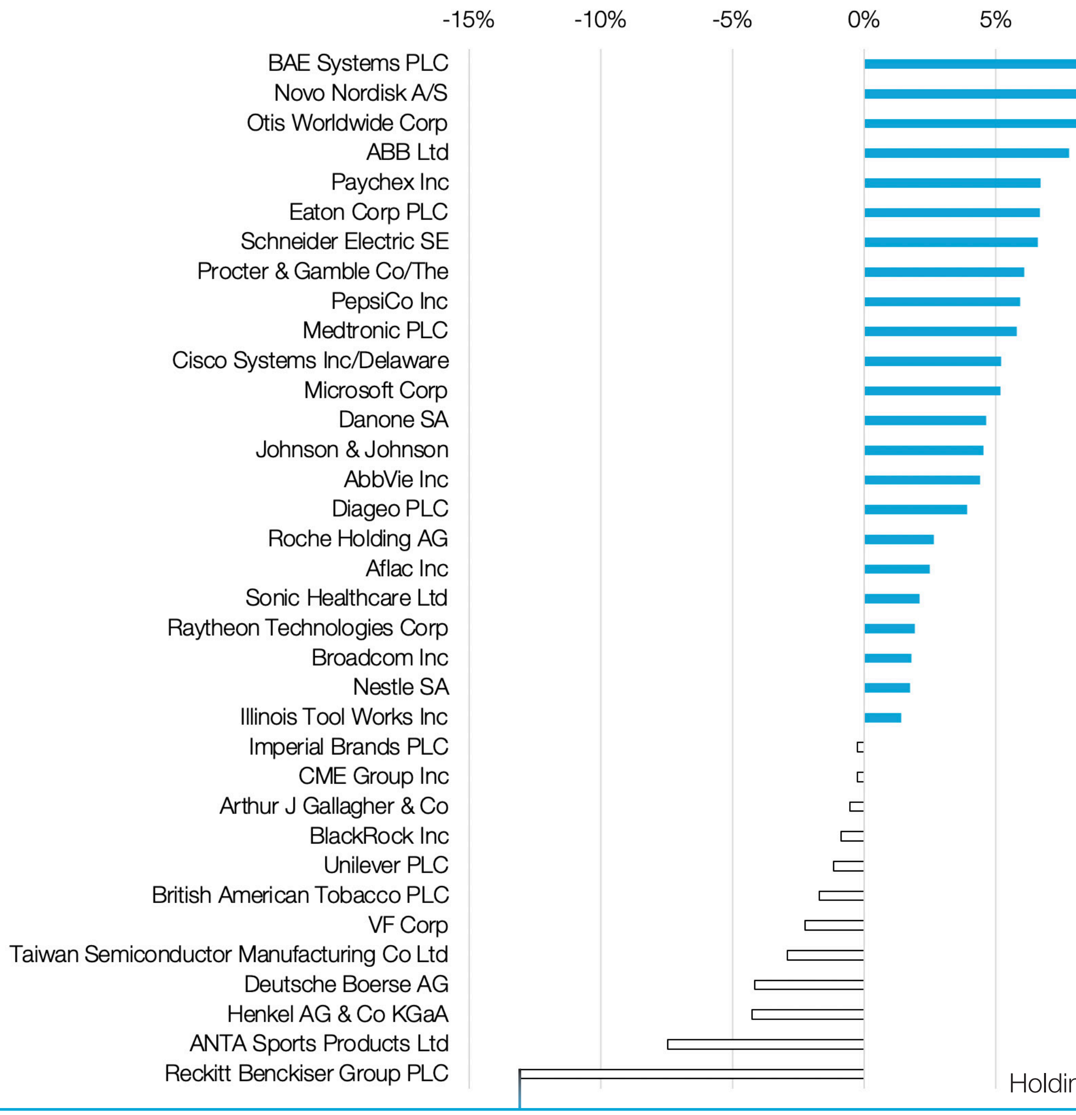
August 2021 Update

SmartETFs

Portfolio Performance

as of 07/31/2021

In July, DIVS was up 2.40% (NAV basis), while the MSCI World Index becnhmark was up 1.79% (in USD). Strong stock selection – particularly within the Industrials and Healthcare sectors – was the primary driver of outperformance in the month, though no exposure to the weaker Energy and Banking sectors also aided relative performance. The Fund also holds no companies that were caught in the Chinese regulatory crossfire, which led to sharp short-term falls particularly for many large tech and education stocks.



Best performing stock: BAE Systems PLC, 11.1% TR Month to Date

The largest defense contractor in Europe is well-positioned to benefit from modernization efforts by militaries worldwide amid ever-present geopolitical uncertainty. Recent contract wins in the Middle East and Germany can sustain Typhoon fighter jet production into the 2030s, and BAE continues to demand a leading market share in key defense markets. 45% of sales are derived from services and support, 35% from major programs such as the F-35 Lightning II and Eurofighter Typhoon fighter jets, with the balance derived from electronic systems & cyber intelligence.

Holdings are subject to change.

Worst performing stock: Reckitt Benckiser Group PLC, -13.0% TR Month to Date

The global consumer goods producer is a leader in the health and hygiene & home products markets, with 20 “powerbrands” making up 70% of total revenue. Management revealed lower margin guidance – given rising raw material prices – and a slowdown in demand for many of its products: sales in its health unit fell 5.6% in the second quarter, while the hygiene division saw revenue growth of 7.8% (markedly lower vs the 21% growth clocked in Q1 2021). While the share price fall reflects short-term concerns, we are optimistic over Reckitt Benckiser’s long-term prospects. First-half sales for 2021 were still up 13% compared to the same pre-COVID period in 2019 and the company continues to have a strong balance sheet and steady cashflows. Further, as part of its growth initiative, Reckitt Benckiser has invested more than £1bn into its supply chain, innovation, and marketing budgets over the past 18 months to improve future sales growth and operating margins.

DIVS

The SmartETFs Dividend Builder ETF

August 2021 Update

Portfolio Performance

As of 07/31/2021	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	15.63%	33.01%	14.68%	13.43%	11.73%
DIVS at Market Price	15.63%	33.01%	14.68%	13.43%	11.73%
MSCI World NR	15.07%	35.07%	14.48%	14.28%	11.64%

As of 06/30/2021	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	12.92%	34.96%	15.56%	13.74%	11.56%
DIVS at Market Price	12.92%	34.96%	15.56%	13.74%	11.56%
MSCI World NR	13.05%	39.04%	14.99%	14.83%	11.55%

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

30 Day SEC Yield (as of 7/31/2021): 1.25% subsidized 0.93% 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.

Due to unusually favorable market conditions, the fund's relatively high performance may not be sustainable or repeated in the future.

DIVS

The SmartETFs Dividend Builder ETF

August 2021 Update

SmartETFs

Portfolio Changes

Sells

- **Anta Sports** Anta Sports, the leading Chinese sportswear brand has ~15% domestic market and generates revenue through the manufacture of sporting goods, including footwear, apparel, and accessories. This includes their namesake products under the ANTA brand and other popular brands such as Fila and Descente, as well as Salomon and Arc'teryx – both owned by Amer Sports, who ANTA acquired in 2019. While the business continues to have a high revenue growth runway, we decided to sell our full position and take profits given the steeper valuation the company now carries.

Buys

+ **Texas Instruments** As part of our one-in-one-out process, we replaced our sold position with a new one in Texas Instruments, the world's largest manufacturer of analog semiconductors (semiconductors that turn analog inputs such as sound, temperature, etc into digital signals). The chips they make are based on "lagging edge" technology, i.e. not the "leading edge" tech being manufactured by TSMC's latest processes. Analog semis have a strong growth outlook driven by demand from the automotive sector, industrial automation, internet of things, for example.

The company boasts several characteristics that we typically seek in the Fund: return on capital is not only well above the industry average but has been growing, driven by strong margin expansion. Texas Instruments also has a strong capital budgeting discipline. The company tends to make small acquisitions, has consistent reinvestment in CAPEX, and generally distributes excess cash back to shareholders in a mix of variable share buybacks and consistent dividend.

Market Review

2020 will always be known as the "pandemic year", but COVID-19 is still around and influencing market returns in mid-2021 too. New virus cases, driven by the rapidly spreading Delta variant, seem to be driving the stock market's rotation this year in relative performance of sectors, styles and regions, as the following charts show. Economically sensitive, or cyclical, stocks have outperformed when the global case count declined and the defensive, lockdown-leaders, and higher quality companies outperformed when cases climbed.

Consensus on when the virus may be contained is elusive and we have seen sentiment change towards "reopening" prospects as cases rise and fall across different regions. We have also seen mixed economic data points which have somewhat clouded the overall view and given bulls and bears arguments for their respective cases. On top of this, central banks have played a crucial role in limiting economic shocks and long term "scaring" by providing significant stimulus measures, with governments spending big on fiscal support alongside. Investors must therefore grapple not only

continued on next page...

DIVS
The SmartETFs Dividend Builder ETF
August 2021 Update

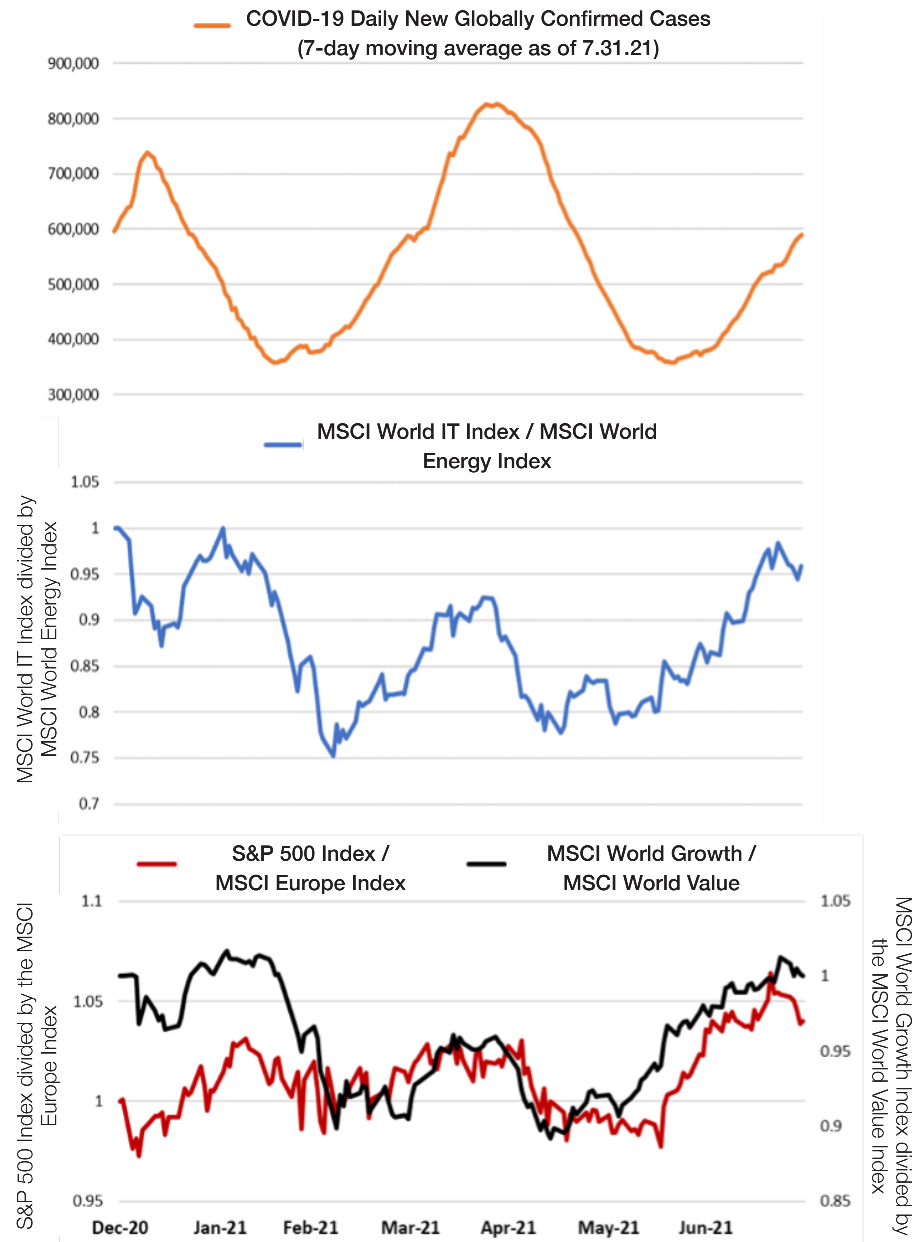
SmartETFs

Market Review

with the first order effects of the virus but also the second order effects of market intervention from central banks and governments and how changes in these responses, which we are now beginning to see discussed in the case of the Fed asset purchase program for example, will affect valuations and importantly investor sentiment towards different areas of the market.

In the Fund, rather than trying to predict the future and how investor sentiment will react to that case, we instead focus on holding high-quality businesses that can weather most economic scenarios successfully and take a long-term view. We currently have a fairly even balance between quality defensive (Consumer Staples and Healthcare) and quality cyclical/ growth companies (Industrials, Financials, Consumer Discretionary, Information Technology). Within Financials, however, we do not own any Banks. The Fund also has zero weighting to Energy, Utilities, Materials, Real Estate and Communications.

This year's swings between cyclicals and defensives, value and growth, and stocks in different regions exemplify the importance of holding a diversified portfolio of quality companies to help reduce overall portfolio volatility.



Source: Johns Hopkins University CSSE COVID-19 Data, Bloomberg. Data as of July 31, 2021.

Further, while the long-term trend over the last few years has seen growth stocks outperform their value counterparts, this trend reversed for much of the first half of this year. The "reopening trade" favored value stocks, while inflation concerns (and subsequently an assumption of higher long term interest rate expectations) weighed on growth stocks. Since

continued on next page...

DIVS
The SmartETFs Dividend Builder ETF
August 2021 Update

SmartETFs

Market Review

mid-May, however, the MSCI World Growth Index has staged a comeback and as can be seen below, has now almost closed the gap with the MSCI World Value Index year-to-date. Further, overlapping both styles to some extent, we find that the quality factor has outperformed overall in 2021 so far and seen relatively less volatility:

Source: Bloomberg. Data as of July 31, 2021.

There's more where that came from!

Join our newsletter at SmartETFs.co/newsletter or follow us on Twitter @SmartETFs! We've always got something to say.

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 World Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across 23 Developed Markets countries.The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

MSCI World Value Index captures large and mid cap securities overall value style characteristics across 23 Developed Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

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.

Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, technology, or equipment.

Forward price-to-earnings (forward P/E) is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation.

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.