DIVS

The SmartETFs Dividend Builder ETF

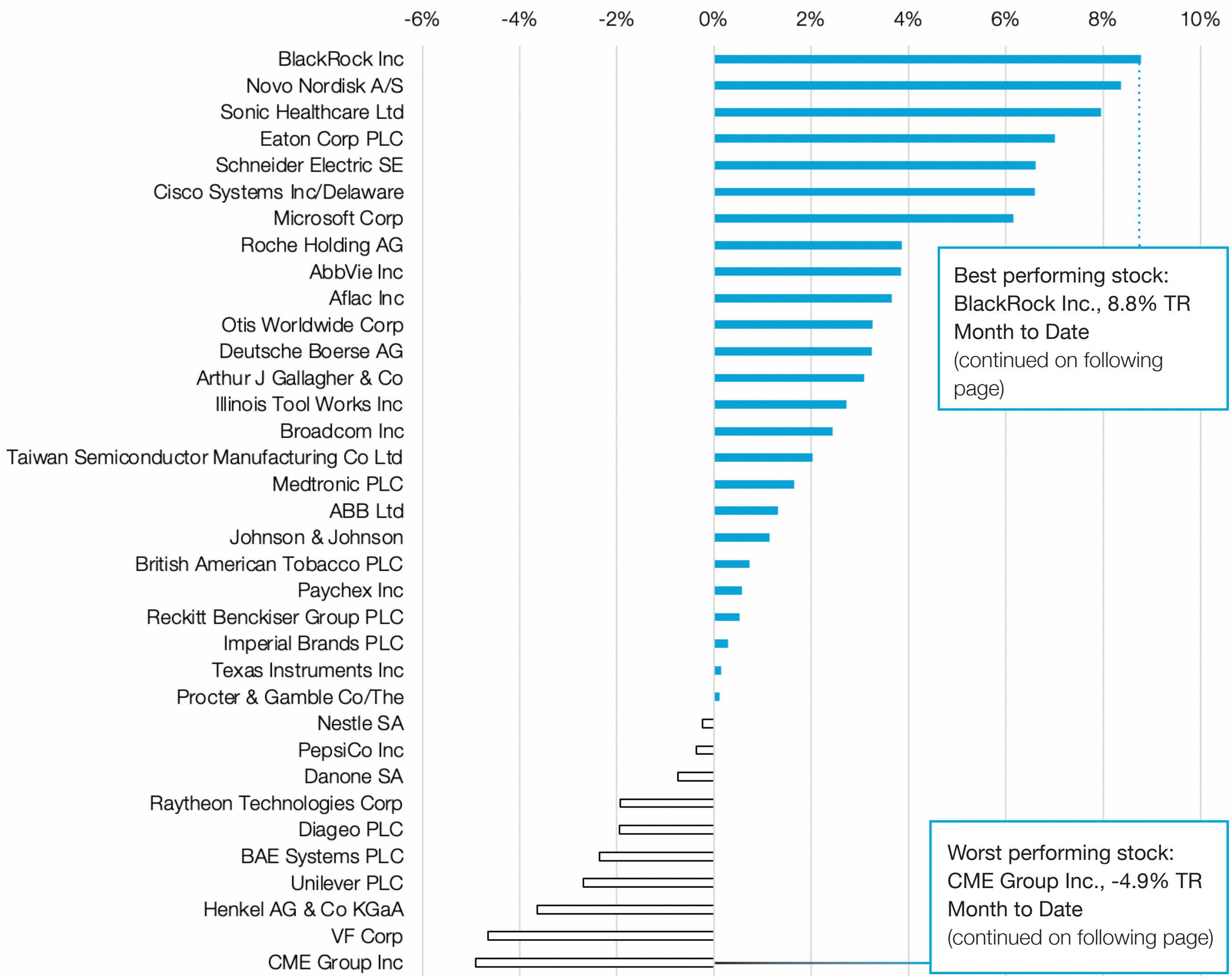
September 2021 Update

SmartETFs

Portfolio Performance

as of 08/31/2021

In August, DIVS was up 1.80% (NAV basis), while the MSCI World Index benchmark was up 2.49% (in USD). Familiar concerns from inflation, the spread of the COVID-19 delta variant, and Chinese regulation continued into August, yet strong economic data, dovish comments from the Federal Reserve and the further easing of lockdown restrictions in developed markets overshadowed any negative sentiment, driving gains in global equities over August. Read on to learn more about our best and worst performing holdings, our dividend update, and our take on the market.



Holdings are subject to change.

BlackRock was the funds best performer in August (8.8%, USD). While there was relatively little news flow relating directly to the firm, the overall strength in equities and a weakened US Dollar act as tailwinds to performance, leading to positive market sentiment. With equity strength comes AUM growth (52% of AUM is in equities), and subsequently greater revenues from fees. Additionally, significant exposure to overseas clients (one-third of revenues are from outside

Portfolio Performance (continued)

North America) means any Dollar weakness translates positively when converting earnings back into their reporting currency (US Dollar).

With investors pouring money into ETFs across the industry at record pace ($705bn in the first seven months of 2021 compared to $767bn for the whole of 2020), BlackRock's market leading position as an ETF provider through their iShares platform leaves them positioned for strong future growth. The asset manager believes the $3tn ETF market AUM will expand to $15tn by 2025. Unlike many peers, BlackRock has been able to generate organic growth at a high and stable level (4.6%, 2016-2020 CAGR), with equity ETF's being the core growth driver, despite their comparably low fees. Despite being the world's largest asset manager with $9.5 trillion in AUM (+31% to Q2 2020), BlackRock continues to demonstrate its ability to grow, adding $81 billion in net inflows over Q2. We continue to like BlackRock because of its organic growth drivers (market leading ETF platform in iShares and strong investor appetite for ETF products, shift towards passive investing, the opening of BlackRock's products to individual Chinese investors), their focus on institutional clients (where revenue streams are sticky and stable), their global scale, the diversity of product mix (active and passive strategies across equities, fixed income and alternatives), a strong brand reputation (reasonable fees and quality products) alongside a strong balance sheet, make BlackRock a quality choice with strong growth levers.

CME Group was the Fund's bottom performer during August (-4.9% USD). The group, through their exchanges, provides futures and options contracts based on interest rates, equity indices, currencies, energy, metals and more. The firm posted results in line with consensus late on in July, but since then, the stock price has declined slowly. While volumes and profits were up for the reported quarter (average daily volumes grew 5% year-on-year during Q2), led by volume increases in interest rate products, agricultural products, and metal products, revenues remained flat. This was a result of negative growth in "Average Rate Per Contract". This should not be overly concerning, as this was partially down to fees relating to CME's new micro-contract products, which are typically cheaper. With 80% of revenues stemming from transaction fees, CME tends to perform best in volatile, high-interest environments when there is more incentive to hedge and speculate. The second quarter saw increased volumes, particularly in interest rate products, due to market expectations of changes in the Fed's monetary policy. Some of these expectations came off slightly during August, matching the stock's decline.

The exchange operator also suffered a 3.8% drop following rumors of a potential merger with another Chicago based exchange operator and owner of the VIX index, Cboe Global Markets. While both companies emerged with statements vehemently denying the merger talks, CME's stock never fully recovered, and stayed at a depressed level. While August was a difficult month, CME Group continues to offer an attractive investment thesis. The firm continues to adapt to market needs through product development, their new suite of micro contracts in Gold and Bitcoin being prime examples. Micro-futures, aimed at smaller, sophisticated, active traders, allow customers to customize their trades and hedging strategies. Alongside these micro-contracts, their ESG focused futures contracts provide another growth avenue, highlighting the firm's ability to consistently keep themselves aligned with investor requirements. Alongside top-line growth opportunities, the firm has proven themselves to be successful at growing the bottom line through cutting expenses, with operating costs falling more than 7% from a year ago. We continue to like the CME Group investment story and see the Fed's expected tapering of assets and interest hikes as potential catalysts for the stock.

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As of 08/31/2021	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	17.71%	31.14%	15.26%	13.78%	11.83%
DIVS at Market Price	17.71%	31.14%	15.26%	13.78%	11.83%
MSCI World NR	17.94%	29.76%	14.95%	14.82%	11.82%

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 8/31/21): 1.29% 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.

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Dividend Tracker

So far, in 2021, we have had dividend updates from 32 of our 35 holdings:

- 28 companies announced growth for their 2021 dividend vs 2020
- 3 companies have announced a flat dividend
- 1 company has announced a modest cut to its dividend
- 0 companies have announced dividend cancellations
- We await the dividend announcements of the 3 remaining companies: Broadcom, Microsoft and VF Corp.

Market Review

Federal Reserve Chair, Jay Powell, quelled concerns of an imminent, more hawkish monetary policy during his speech at the Jackson Hole symposium. While Powell recognized that significant economic progress had been made, particularly with respect to inflation, he voiced concerns over the "turbulent" conditions of the labor market and the threat of a resurgence in the pandemic – especially with the further spread of the COVID-19 delta variant. Hence, any tapering was not likely to be until later in the year. He also stressed that rate hikes and tapering would not occur together – with rate hikes requiring a more stringent test. However, Powell did concede that the July Federal Open Market Committee believed it would be necessary to begin tapering later in the year, implying further evidence of stable jobs numbers would be required.

In terms of jobs, US data for August was less than inspiring, creating just 235,000 new jobs in August, nearly half a million below analyst expectations and a sharp deceleration from the 1.1m jobs created in July. And while the unemployment rate ticked 20bps lower to 5.2%, these numbers backed Powell's point of the "turbulent" conditions of the labor market. These numbers, released after Jackson Hole, implicate a later rather than sooner tapering timeline.

Elsewhere, inflation in the Eurozone exceeded expectations with the CPI reaching 3% year on year, its highest level in almost a decade. The increase was driven by the reversal of lockdowns, energy costs, the reversal of the German cut in value added tax, alongside supply chain constraints. This placed pressure on the European Central Bank (ECB) to slow the pace of bond purchases, although the ECB announced earlier in July, they would be willing to tolerate any moderate overshoot to their 2% inflation target. In the UK, where the re-opening of the economy happened sooner than continental Europe, CPI cooled to the targeted 2% year on year, down 50 bps from the previous month. There is, however, an expectation that inflation could tick up again later in the year, when the temporary VAT cut given to the hospitality sector will be removed.

The US Consumer Price Index (CPI) was 5.4% year on year for the second month running, remaining at decade highs. However, since CPI was no longer accelerating, this gave some evidence for the transient inflation argument. As was the

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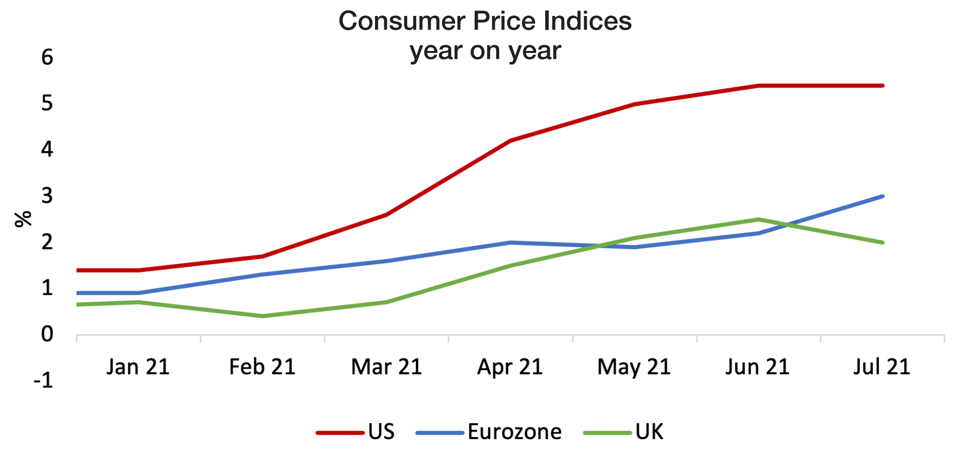
Market Review

case in June, this was driven by the secondary car market and energy commodities. Given less attention was the Producer Price Index (PPI) which increased 50bps to 7.8% year on year, with pandemic induced supply chain constraints driving the increase. Typically, a leading indicator for CPI, this increase suggests CPI may not be as transient as hoped, with further CPI inflation to come.



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

There's more where that came from!

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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.

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

Compound Annual Growth Rate (CAGR) is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span.

VIX Index is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 Index.

Environmental, Social, & Governance (ESG) is an evaluation of a firm's collective conscientiousness for social and environmental factors.

Basis Points (BPS) is a standard measure for interest rates and other percentages in finance, representing one-one hundredth of one percent.

Value-Added Tax (VAT) is collected on a product at every stage of its production during which value is added to it, from its initial production to the point of sale. The amount of VAT that the user pays is based on the cost of the product, less any costs of materials used in the product that have already been taxed at a previous stage.

Consumer Price Index (CPI) measures the average change in prices over time that consumers pay for a basket of goods and services.

Producer Price Index (PPI) is a group of indexes that calculates and represents the average movement in selling prices from domestic production over time.

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.

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.