DIVS

The SmartETFs Dividend Builder ETF

September 2022 Update

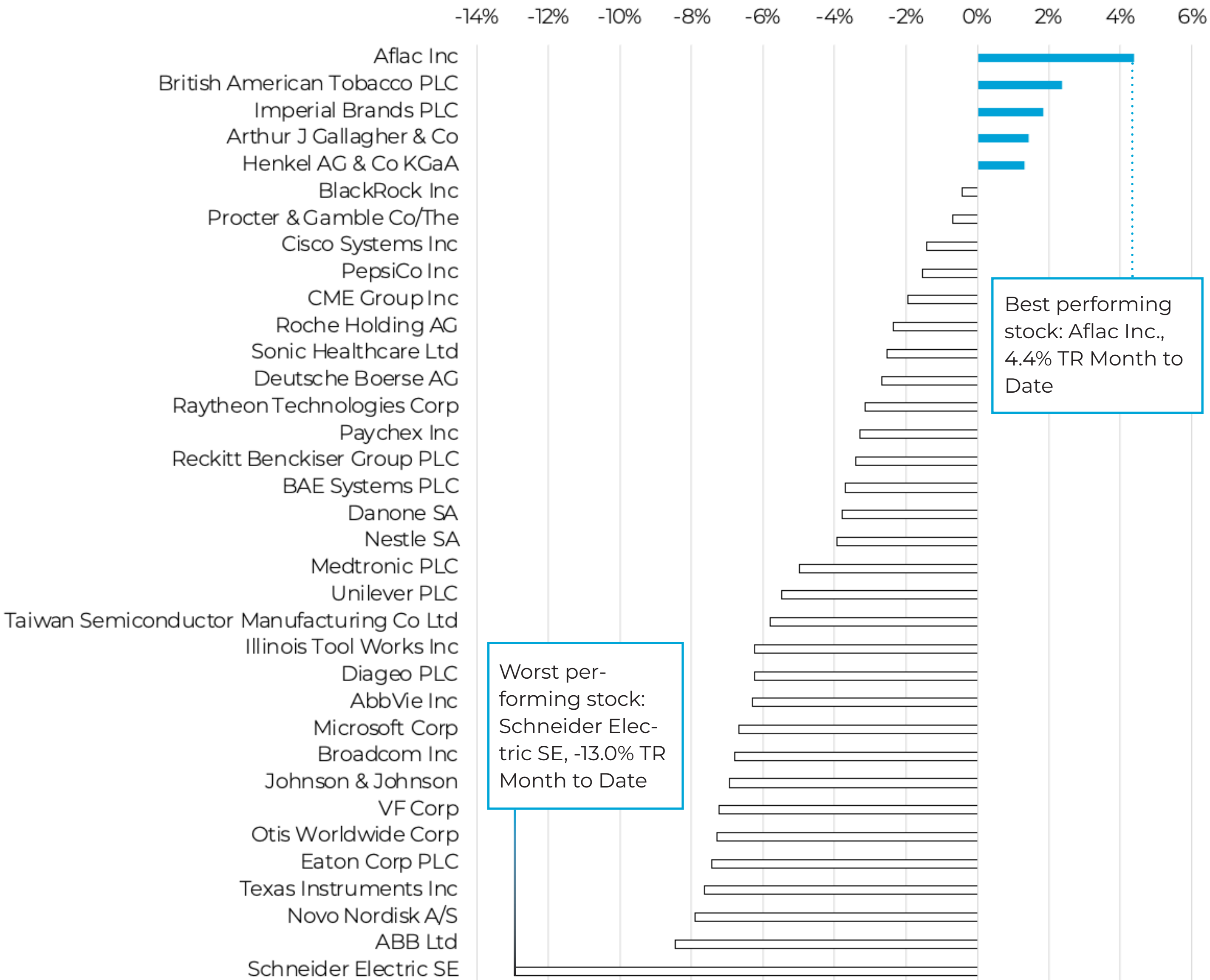
SmartETFs

Portfolio Performance

as of 8/31/2022

In August, DIVS was down -4.50% (NAV basis), while the MSCI World Index benchmark was down -4.18% (in USD). Over the month, value outperformed on a relative basis. Therefore, having a zero exposure to the value-oriented Energy, Materials and Utilities sectors (which all beat the MSCI World) was a source of relative underperformance. Additionally, DIVS' high exposure to the Healthcare segment was a headwind from an allocation perspective. Weak stock selection among the Industrial segment was also a drag as the Fund's four worst performers for the period (Schneider Electric, Atlas Copco, Emerson and ABB) all delivered returns below the benchmark. However, DIVS benefited from an overweight Financials allocation (15.33% vs 13.22%) which was the MSCI World's 3rd best performing index over the month. The Fund also benefited from strong stock selection within this segment, evidenced by both Aflac (+4.37%USD) and Arthur Gallagher (+1.44%USD) performing well. Finally, Real Estate and IT were two of the three worst performing sectors (down c. 6% USD) therefore the fund benefited from an underweight allocation.

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



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Aflac was the best performer over the month of August. Aflac is an insurance specialist and the largest provider of supplemental insurance in the United States. The market reacted positively to a strong set of Q2 results, with net earnings of $1.4bn for the quarter up 27.3% year over year (YoY). Despite revenues coming in $200m lower than the previous year, the market had been expecting several significant headwinds (including COVID-related losses and private equity write-downs), both of which failed to significantly materialize. In fact, Aflac posted a lower-than-expected benefit ratio of 45.4% coming well under the 48.6% consensus, highlighting their strong performance over Q2 (the benefit ratio describes the cost of providing underwriting insurance versus the revenues it receives from those policies). They also reiterated their firm commitment to returning capital to shareholders by announcing $650mn of share repurchases, which exceeded the $520mn forecast by analysts, and was taken positively by the market.

Schneider electric was the worst performer over the month of August. Schneider continued to have strong momentum from July, off the back of good quarterly results, but the change in market consensus, led by the Fed's firm hawkish stance, caused a relatively sharp selloff. Declines were particularly pronounced given the exposure to the highly cyclical industrial sector, which is particularly sensitive to higher interest rates. This is because higher rates drive up the cost of borrowing and decreases the incentive for customers to make forward looking investments, consequently reducing demand for the machinery and capital equipment products they sell. Schneider Electric sells energy management & industrial automation products. It is therefore well exposed to a range of long-term structural growth themes including clean manufacturing, decarbonization and energy efficiency, which should mitigate against any short-term weaknesses in demand. Schneider is a high-quality company, with strong margin profiles, a good balance sheet, and dominant positions in its core markets. Therefore, we believe that it remains well placed going forward, despite a difficult month off the back of a changing macroeconomic picture.

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As of 8/31/2022	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	-13.18%	-8.84%	10.17%	9.55%	9.90%	9.66%
DIVS at Market Price	-12.97%	-8.61%	10.22%	9.58%	9.91%	9.67%
MSCI World NR	-17.78%	-15.08%	8.77%	7.85%	9.46%	8.91%

As of 6/30/2022	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	-13.14%	-4.93%	9.92%	9.60%	10.33%	9.83%
DIVS at Market Price	-12.71%	-4.63%	10.06%	9.68%	10.38%	9.87%
MSCI World NR	-20.51%	-14.34%	6.99%	7.66%	9.51%	8.71%

Expense Ratio: 0.65% (net) | 1.08% (gross)

30-Day SEC Yield (as of 8/31/22): 1.61% subsidized | 0.99% 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.

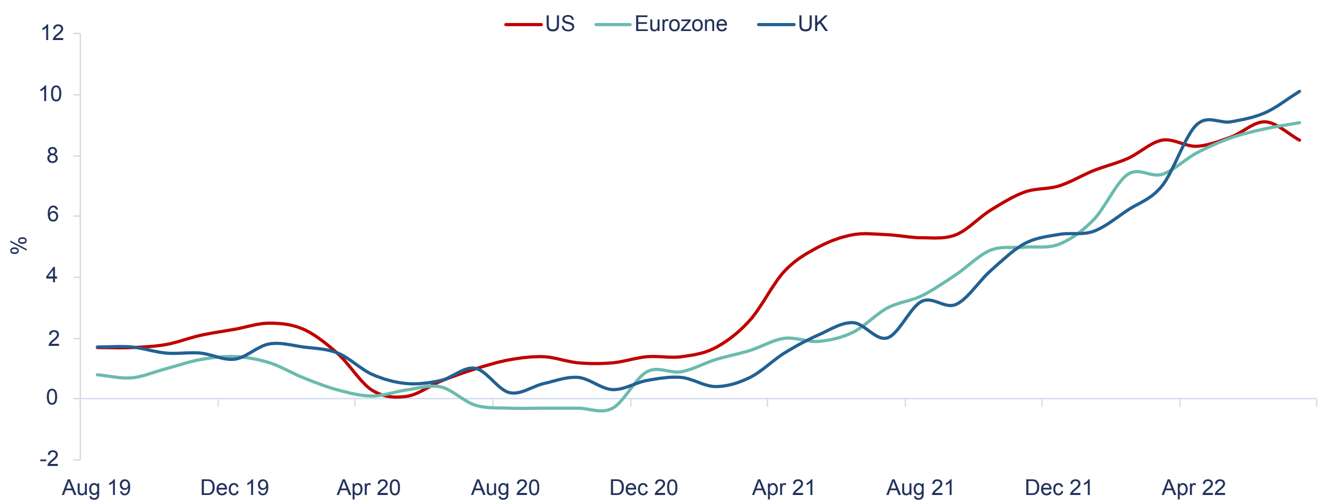
Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the 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.

Monthly Commentary

The month of August was a tale of two halves for global equity markets. Initially, off the back of strong momentum in July, markets continued to rise over the first half of the month, with the MSCI World Index up 3.65% as of August 16th. The early positive sentiment was, in part, attributed to a broader view that the US Fed would start cutting rates sooner and from a lower peak in order to avoid a recession. This was also backed up by positive US Consumer Price Index (CPI) data which recorded a headline rate of 8.5%, lower than the 8.7% forecasted. While this figure still remains at decade highs, the market believed it shows signs of cooling off and would therefore lead to a more moderate central bank tightening cycle. Even with the ongoing European energy crisis which pushed inflation higher in the UK and Eurozone, the start of the month was broadly positive for equity markets, given the key US data points and improving outlook.

Consumer Price Indices



Source: Bloomberg. Data as of August 31, 2022

However, following the release of US Fed Chair Jerome Powell's comments from the July FOMC meeting (where rates were raised by 75bps), the market reacted poorly to the prospect of an increasingly hawkish macroeconomic environment. The meeting minutes showed officials discussing the need to keep interest rates at levels that will restrict the economy "for some time", a clear signal of the Fed's serious intentions of curtailing inflation, perhaps even at the expense of a so called "soft landing". Further negative sentiment was compounded by Powell's Jackson Hole speech, a three-day annual conference for central bankers and policy makers, which received particularly close scrutiny this year given the current challenging inflationary environment. In his speech, Powell reiterated the Fed's hawkish stance, noting the "forceful and rapid steps (they will take) to moderate demand". He also stated that the Fed is planning to maintain higher rates for as long as necessary since "the historical record cautions strongly against premature loosening policy". Other Fed committee members shared their market views, with Loretta Mester striking a particularly aggressive tone in arguing that the Fed fund rate may well need to rise above 4%. This commentary sent markets down sharply, with the MSCI World Index falling 2.67% after

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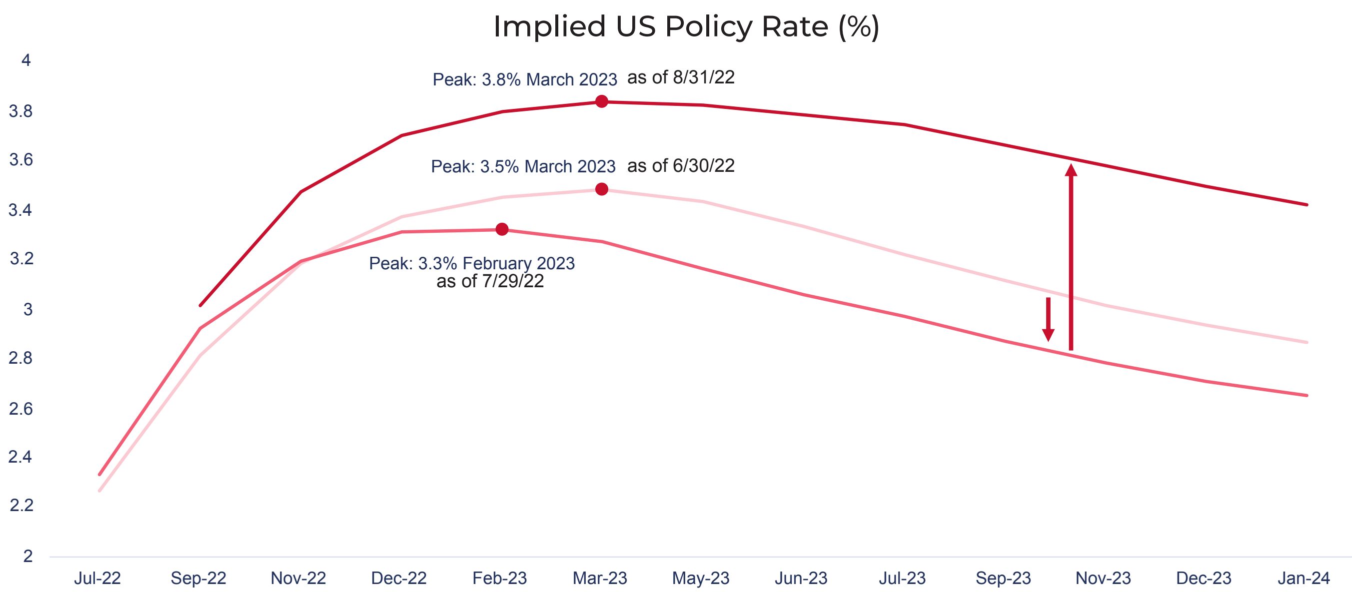
Monthly Commentary (continued)

the speech and contributing to the Index's 9.10% decline between 16th August and the month end.

Forward Expectations

As a result of the Federal Reserve's market commentary, market expectations of where the policy rate may peak shifted from 3.3% to 3.8%.



Source: Bloomberg. Data as of August 31, 2022

Similarly, the market shifted its expectations for the European Central Bank (ECB) policy rates, now forecasting a 2.3% rate in June 2023, up from last month's consensus of 1.0%. This sizeable increase in expectations came off the back of all-time high inflation readings for the Euro-area which strengthens the case for further rate hikes. Money markets have now priced in 125 basis points of further tightening by October, which implies a half-point hike and a three-quarter point increase spread over its next two policy decisions.

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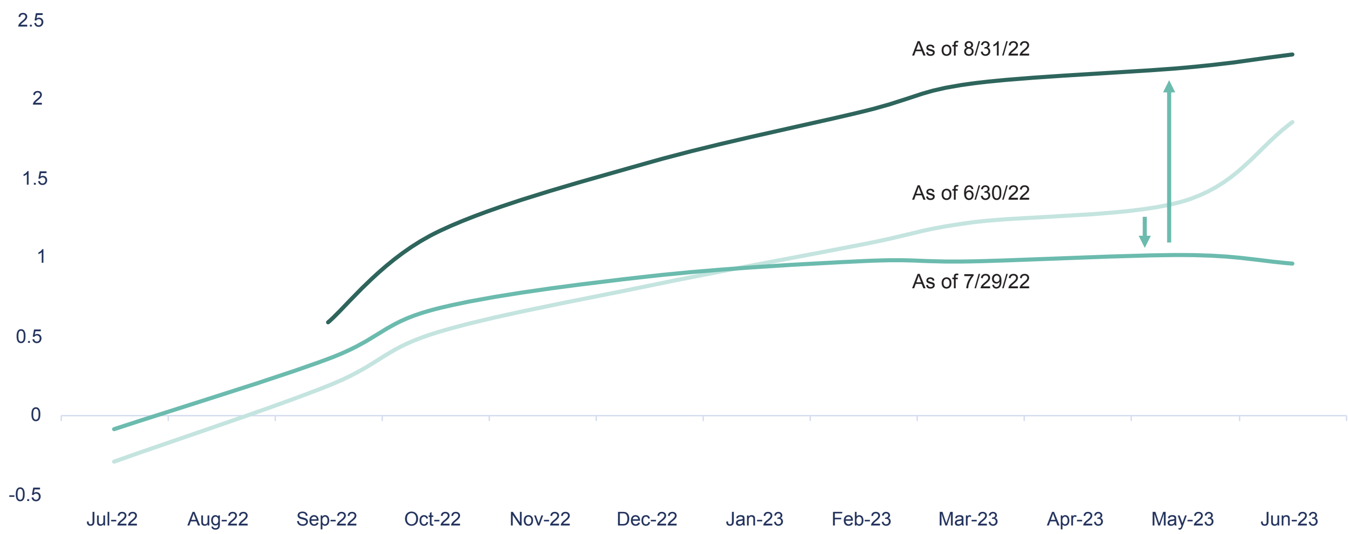
Monthly Commentary (continued)

Implied ECB Policy Rate (%)



Source: Bloomberg. Data as of August 31, 2022

The material increases in implied policy rates have also fed through to forward-looking consumer inflation predictions. On August 26th, the University of Michigan released their Survey of Consumers which notably showed that individual inflation expectations are declining over both the short and long term. One-year ahead inflation is now expected to be 4.8% for August (versus 5.4% in June) and five-year ahead inflation of 2.9% in August (versus 3.3% in June). Inflation expectations can often become self-fulfilling; if consumers forecast higher prices this can push up demand in the short term and cause prices to rise even further. Therefore, declining consumer inflation expectations can be seen as a positive forward-looking indicator. Encouragingly, the 2-year breakeven expectations for the US fell sharply over the latter half of August and shows that the broader market is predicting lower inflation than previously feared.

US 2 Year Breakeven Expectations

Source: Bloomberg. Data as of August 31, 2022

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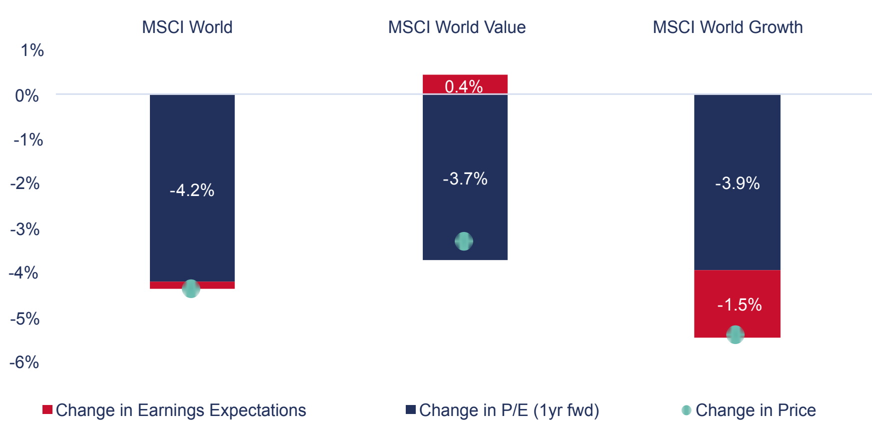
Monthly Commentary (continued)

Value vs Growth

Over the month of August, the MSCI World Index fell 4.18%. When aggregating by style, Value outperformed Growth on a relative basis with the former down 3.3% compared with its Growth counterpart which fell 5.4%, a larger relative decline. Interestingly, when attributing the cause of share price performance, it is clear that a multiple derating (as opposed to earnings) was the main driver of negative returns for both Growth and Value stocks. This was particularly pronounced for the MSCI World Value Index, where earnings expectations actually improved 0.4% over the period. The average 1 year forward PE ratio is now in line with the long term pre-covid average of 15.3X, however forward-looking earnings estimates remain robust, which bodes well for the quality value companies that the Fund owns.

Components of Share Price Performance
Change over August



Source: Bloomberg. Data as of August 31, 2022

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Dividends Review

So far, in 2022, we have had dividend updates from 28 of our 35 holdings, and the average dividend growth in the Fund has been 7.6%.

- 24 companies announced increases for their 2022 dividend vs 2021. The average dividend growth of these companies has been 8.8%.
- 4 companies announced a flat dividend vs 2021.
- 0 companies announced dividend cuts.
- 0 companies announced dividend cancellations.

This follows the Fund seeing 0 cancellations in 2021 and 2020.

There's more where that came from!

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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.

MSCI World Value Index captures large and mid cap securities exhibiting 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.

Basis Points (BPS) refers to a common unit of measure for percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

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.

Consumer Price Index measures the overall change in consumer prices based on a representative basket of goods and services over time.

Price to Earnings (PE) Ratio is a stock valuation metric that compares a company's share price to its earnings per share.

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.

Consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. For a prospectus or summary prospectys 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.

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.