DIVS

The SmartETFs Dividend Builder ETF

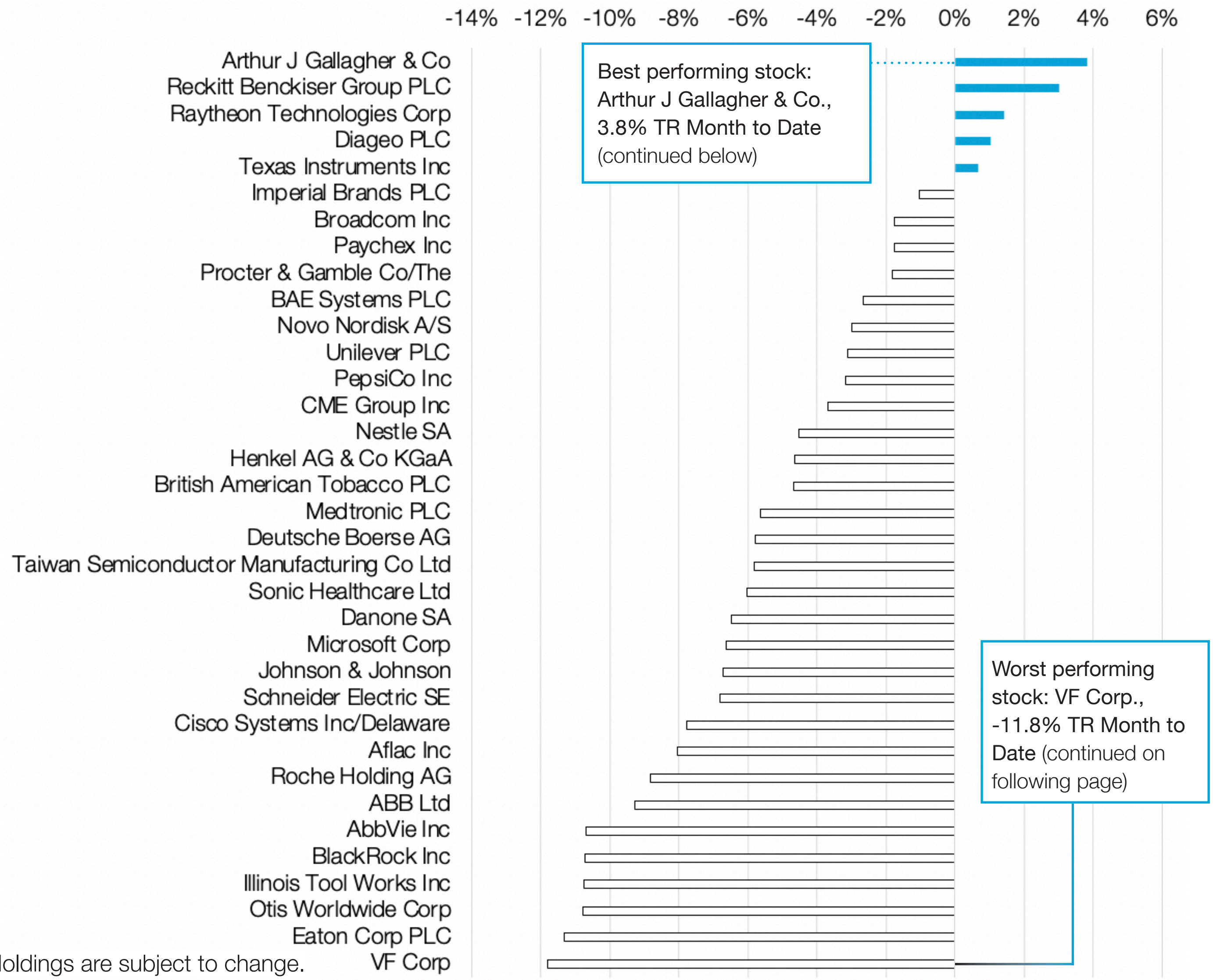
October 2021 Update

SmartETFs

Portfolio Performance

as of 09/30/2021

In September, DIVS was down -5.02% (NAV basis), while the MSCI World Index benchmark was down -4.15% (in USD). In Q3 the main drag on the Fund's relative performance vs the Index was our overweight to Consumer Staples (c.20% overweight vs benchmark) as the sector underperformed the MSCI World Index over the quarter – although this was partially offset by good stock selection with P&G, Diageo, and Pepsi both having total returns above the index in the quarter. Our overweight to Industrials (c.10%) – which lagged the market – and underweight to IT (c.6%) – which led – were also a small drag on relative Fund performance. Materials was the worst performing sector in the quarter (down -4.8% in USD). The Fund continues to have a zero weighting to this sector and therefore this added to relative performance in the quarter. Equally, the Fund has an underweight to Consumer Discretionary (c. 9%) which also aided relative performance as this sector lagged the market over the period.



Holdings are subject to change.

Arthur J Gallagher, one of world's largest insurance brokerage and risk management services firms, performed well in the month. The company posted stronger-than-expected Q2 earnings and revenues. "We're off to an excellent start in 2021," said CEO J. Patrick Gallagher, Jr. "We posted strong total revenue growth, including excellent organic revenue

Portfolio Performance (continued)

growth and continued growth from our tuck-in M&A strategy. Combined with our expense discipline, we once again delivered fantastic growth in net earnings". The market also reacted positively to news of Arthur J Gallagher's proposed acquisition of Wills Re's treaty reinsurance brokerage.

VF Corp was the worst performer in the month. The global clothing manufacturer, whose line-up of high-profile brands includes Vans, The North Face, Timberland, and Dickies, reported Q1 2022 results that missed gross margin expectations, citing that air freight costs had a bigger impact than expected. Also, there was some disappointment with Van's sales; while revenues were modestly higher globally vs the prior year, they were down in North America. The market took this negatively given that Van's makes up 40% of revenue, is VF Corp's fastest growing brand, and the US is the largest revenue region (60%). Behind the headline numbers, however, the lower Van's sales growth was a function of low inventory levels rather than soft demand. As such, we still have confidence in VF Corp's long-term prospects, and this was echoed by management in that guidance for Vans full-year growth was raised to 9-10% (from 7-9%).

Looking forward, VF Corp, which is a dividend aristocrat with 49 years of consecutive years of dividend growth, once again announced growth in its dividend this year and lifted full-year 2022 guidance. The company expects 30% revenue growth (up from its previous estimate of 28%) and 144% earnings growth in the next year, with growth from all regions and particular strength in the direct-to-consumer sales channel.

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As of 09/30/2021	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	11.80%	25.21%	13.24%	12.56%	11.12%
DIVS at Market Price	11.80%	25.21%	13.24%	12.56%	11.12%
MSCI World NR	-5.04%	12.95%	8.20%	9.41%	8.09%

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

30-Day SEC Yield (as of 9/30/21): 1.34% subsidized | 0.97% 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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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.

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 – e.g. regulated sectors such as Utilities, Telecommunications and Banks, and commodity-led sectors such as Energy and Materials – typically do not show up much 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 and are less likely to grow their dividend over time.

Market Review

2021 has seen 3 broad trends in terms of style/rotation:

(1) the start of year to mid-May when value outperformed growth on the back of the "reflation/reopening trade" that started in November 2020 when vaccine news released and both economic growth-sensitive value stocks (such as Industrials) and rate-sensitive value stocks (like Banks) did well. The Fund outperformed the benchmark over this period (year-to-date till May 14th) with our holdings in Industrials (ABB, Eaton, Raytheon) and Financials (Aflac, CME, Arthur Gallagher, Blackrock) performing well.

(2) mid-May (14th) to late September (21st) when this "reflation" trend reversed and growth outperformed value as the Delta variant came to prominence, and we started to see a slowdown in the economy and a coincident fall in rates with US 10yr treasury yields dropping from 1.7% back to 1.2%. The Fund underperformed the benchmark by 2.92% (in GBP) in this period (as we might expect in a growth-led rally), but "quality" companies also performed well as the market focused on a slower growth outlook and increased market uncertainty – this aided Fund performance. IT companies held such as Microsoft, Broadcom, and Paychex performed strongly as did Healthcare stocks such as Novo Nordisk, Sonic Healthcare, and Roche.

continued on next page...

Market Review

(3) late September (21st) to quarter end – although this is a short period to assess – value once again took the lead above growth, and sharply too, as the market began to price in a more hawkish Fed taper and future rate rises, alongside increased worries around China and global growth in general, and continued uncertainty around the prospects for inflation. However, in contrast to period (1) above it was only the rate-sensitive value stocks (and Energy on the back of oil price rises) that led gains with economic growth-sensitive value stocks lagging. Despite owning no Banks or Energy stocks (two sectors that had particularly positive performance over this period) the Fund held up well, performing in line with the benchmark with our exchange group stocks such as CME benefitting from rate volatility.

It is pleasing that the Fund has navigated these different market environments well. Our quality approach (high return on capital consistently over 10 years and strong balance sheets) has been rewarded particularly in Q3 as markets re-assessed the economic outlook and steady, reliable earnings were sought, although some of this was given back in the last week of September.

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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.

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.