DIVS

The SmartETFs Dividend Builder ETF

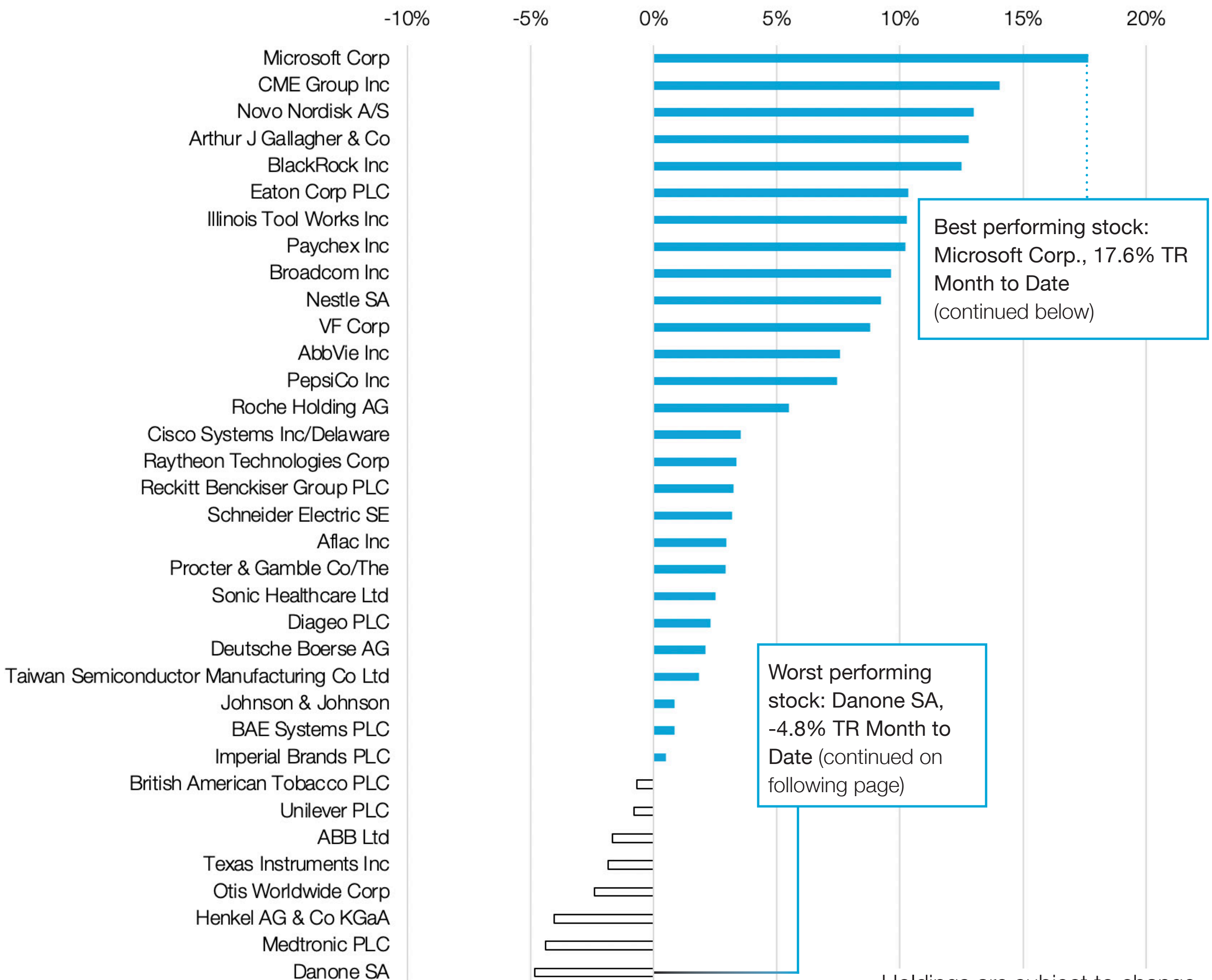
November 2021 Update

SmartETFs

Portfolio Performance

as of 10/31/2021

In October, DIVS was up 4.54% (NAV basis), while the MSCI World Index benchmark was up 5.66% (in USD). Financials was the Fund's best performing sector this month. The sector performed well, but with an allocation like that of the benchmark, strong stock selection in names such as CME Group, Arthur J Gallagher, and Blackrock was the driver of relative outperformance. Strong stock selection was also evident within the Pharmaceutical Industry, with names such as Novo Nordisk and AbbVie delivering returns above the benchmark. With the rotation back towards growth, the funds slight under-exposure to Information Technology gave a small head-wind. Good stock selection within Software and Services from names such as Microsoft helped to offset weaker performance from semi-conductor companies, such as Texas Instruments. Less-cyclical, defensive sectors generally underperformed during October. Consumer staples was the primary contributor to fund underperformance. High relative exposure to the underperforming sector meant a negative return from allocation, with weaker performance across European names in particular.



Holdings are subject to change.

Microsoft was the best performer in October, outpacing the total return of the sector (MSCI World Information Technology Index +7.55% USD) and of the broader MCSI World Index (+3.94% USD). This strong performance meant Microsoft once again became the most valuable listed company in the world, reaching $2.5 trillion for the first time and overtaking

Portfolio Performance (continued)

Apple, following the iPhone maker's slightly disappointing quarterly earnings release. While the stock rose consistently throughout the month, a strong re-rating at the end of the month followed their Q3 earnings release, where revenue hit 22% year-on-year growth – the highest growth rate since 2014. Much of this growth was driven by the firms Cloud Computing division, growing 36% year-on-year, supported by robust Azure growth (50% year-on-year). The firm was also able to boost operating margins 200bps to 44.7%, aided by the growth of their high margin cloud business and offsetting any supply chain impact. We continue to view Microsoft as a very attractive investment opportunity. Not only has the firm a financial history characterized by long term growth, high margins, and exceptional cash generation, but the firm has an equally strong outlook. Microsoft is highly diversified across regions and segments, but also has high exposure to a number of growth products (Q1 year on year growth: Azure +50%, Dynamics 365 +48%, PowerBI apps +202% and Linkedin +48%). As Cloud continues to grow as a proportion of sales, we continue to see plenty of head-room for margin expansion.

Danone was the fund's biggest detractor for the month. The global market leader in dairy products suffered a difficult October after forecasting that inflation in milk, packaging, and transportation would be "at least the same level as 2021, and maybe even higher" in 2022. In a call with analysts, Danone's Chief Financial Officer stated that cost inflation will reach 9% in the second half, up from 7% in the first. The firm has not been immune to the world's supply chain crises, such as in the US where scarcity in trucking has increased both prices and difficulty in getting products to North American factories. Despite giving a negative outlook around cost pressures, the company still delivered a slight beat to consensus on its Q3 21 sales release (+3.8% vs +3.6%), but also reiterated its guidance for the full year – a return to profitable growth. The firm also delivered +4.1% year-on-year growth in Essential Dairy & Plant-based, the firms largest segment. While inflationary pressures will offer a headwind, the firm will look to offset any negative effect on operating margin through price increases and efficiency measures. The firm's intangible asset of being a quality brand has afforded them a level of pricing power, shown in their most recent results where although volume was down -0.8%, this was more than accounted for by pricing, which give a +4.6% tailwind to overall revenue growth. We continue to like the investment thesis of Danone. The firms intangible brand asset and their scale across manufacturing and the wider supply chain are the key elements of Danone's competitive edge. Their strategic shift towards a healthy brands pureplay offers further pricing power potential, alongside allowing them to ride a secular trend in consumer tastes. Additionally, the firm's broad exposure to emerging markets, particularly in China, where a premiumization trend is taking place due to the rising middle class will serve the firm well into the future.

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As of 10/31/2021	YTD	1 Year	3 Year	5 Year	Since Inception (03/30/2012)
DIVS at NAV	16.88%	37.08%	17.62%	14.39%	11.53%
DIVS at Market Price	16.88%	37.08%	17.62%	14.39%	11.53%
MSCI World NR	19.44%	40.42%	18.19%	15.44%	11.75%

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 10/31/21): 1.40% subsidized | 0.91% 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.

SmartETFs

Dividend Tracker

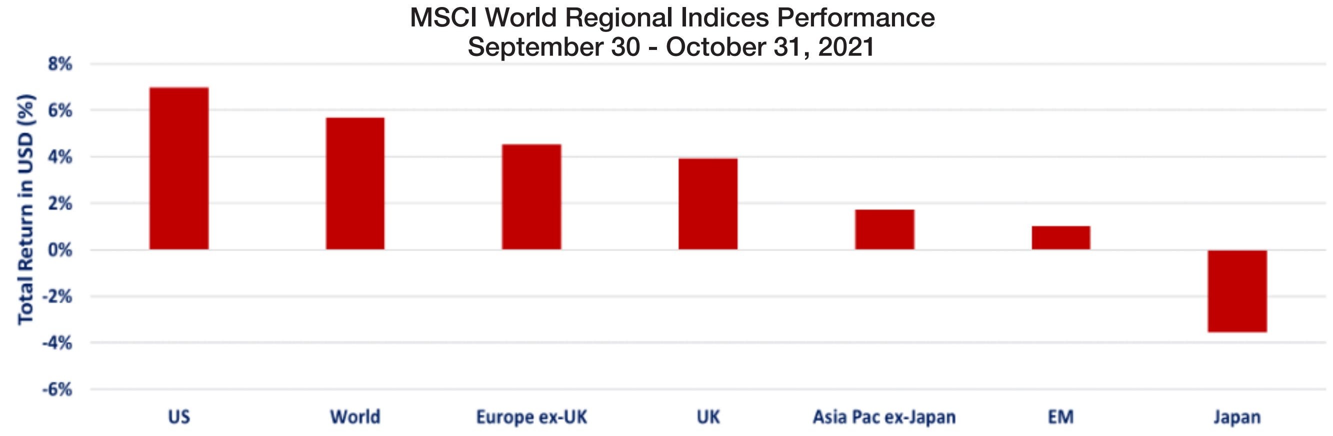
So far, in 2021, we have had dividend updates from 34 of our 35 holdings:

- 30 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 1 remaining company, Broadcom.

Market Review

Global stock performance was broadly positive throughout October, with almost all key regions delivering positive growth. This was a reversal of trends from a difficult September, which saw stocks fall following a barrage of negative news flow, including increasingly disrupted supply chains, hawkish federal reserve rhetoric, concerns over an approaching US debt ceiling, higher inflation across developed markets, and an energy crisis in Europe. Negative sentiment from these events meant stocks remained relatively subdued in early October, particularly with talks of "stagflation" dominating headlines.

While many of these headwinds are still in the mind of investors, markets soon regained momentum following the onset of a strong start to the Q3 earnings season, as over 80% of S&P 500 companies (of the 56% that reported over the month) beat earnings expectations, driving the index to new peaks. The index reported what was the third highest (year-over-year) quarterly growth in earnings since Q2 2010, and positively surprised by +10.3%, 190bps above the 5-year average.



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

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Market Review

- In the US, the top performing region for the month, concerns over the impending debt ceiling were eased as the House of Representatives approved a short-term increase in the US's borrowing limit, averting a potential debt default across what is often seen as one of the world's debt safe havens. President Biden also made progress with his infrastructure agenda following weeks of fraught negotiations, announcing a framework agreement for a $1.75 trillion infrastructure package.

- In Europe, the US and EU agreed a deal to ease tariffs on steel and aluminum, resolving a trade dispute inflicted by the Trump administration. Brussels also signaled that it could extend a relaxation of state aid rules beyond the end of the year, following pressure from business to maintain the current measures. The energy crisis lasted throughout much of October. Intervention from Russian President Vladimir Putin helped ease tensions after ordering Russian state-run Gazprom to start filling European storage facilities at the end of the month, causing gas prices to tumble. European gas contracts for delivery in November leapt to over €100 during October, up from €18 euros just six months ago, before eventually falling to €60-70 at the end of the month. Elsewhere, Bundesbank President Jens Weidmann unexpectedly stood down. Known very much for being a lone opposition figure to much of the European Central Bank's (ECB) unconventional loose monetary policies, speculation arose that any successor may be less hawkish and allow a further continuation of cheap funding.

- In the UK, reactions to the Autumn budget were mixed. Improved official forecasts afforded Rishi Sunak an additional £35bn annual windfall on top of the £36bn-a-year in tax increases he had already introduced. Instead of a 4% increase in GDP over 2021 originally forecast, the Office for Budget Responsibility (OBR) upgraded its forecast to 6.5%. Proponents of the budget pointed towards increases in funding for all of Whitehall's departments, with critics highlighting that wage growth will be more than offset by high inflation, tax increases and rising mortgage costs.

- Following a torrid third quarter, Asia Pacific managed to reverse momentum and return a positive month during October. The region was previously weighed down by weak Chinese performance (MSCI China fell 16% during Q3), with a sustained regulatory offensive impacting stock early in the quarter and concerns over the ability of property group Evergrande to service its debts causing a sharp sell-off during September. Yet Chinese tech stocks rebounded during October, as analysts upgraded forecasts and investors became more confident that peak regulatory risk had passed. Chinese property developer Evergrande, one of the world's largest debtholders, narrowly avoided default by paying creditors the weekend before a 30-day grace period expired. Despite these positive drivers, the region still suffers from energy shortages and weak economic indicators, with energy "blackouts weighing on manufacturing activity.

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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.

MSCI World Information Technology Index is designed to capture the large and mid cap segments across 23 Developed Markets countries. All securities in the index are classified in the Information Technology sector as per the Global Industry Classification Standard (GICS®).

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.