DIVS

The SmartETFs Dividend Builder ETF

November 2022 Update

SmartETFs

Portfolio Performance

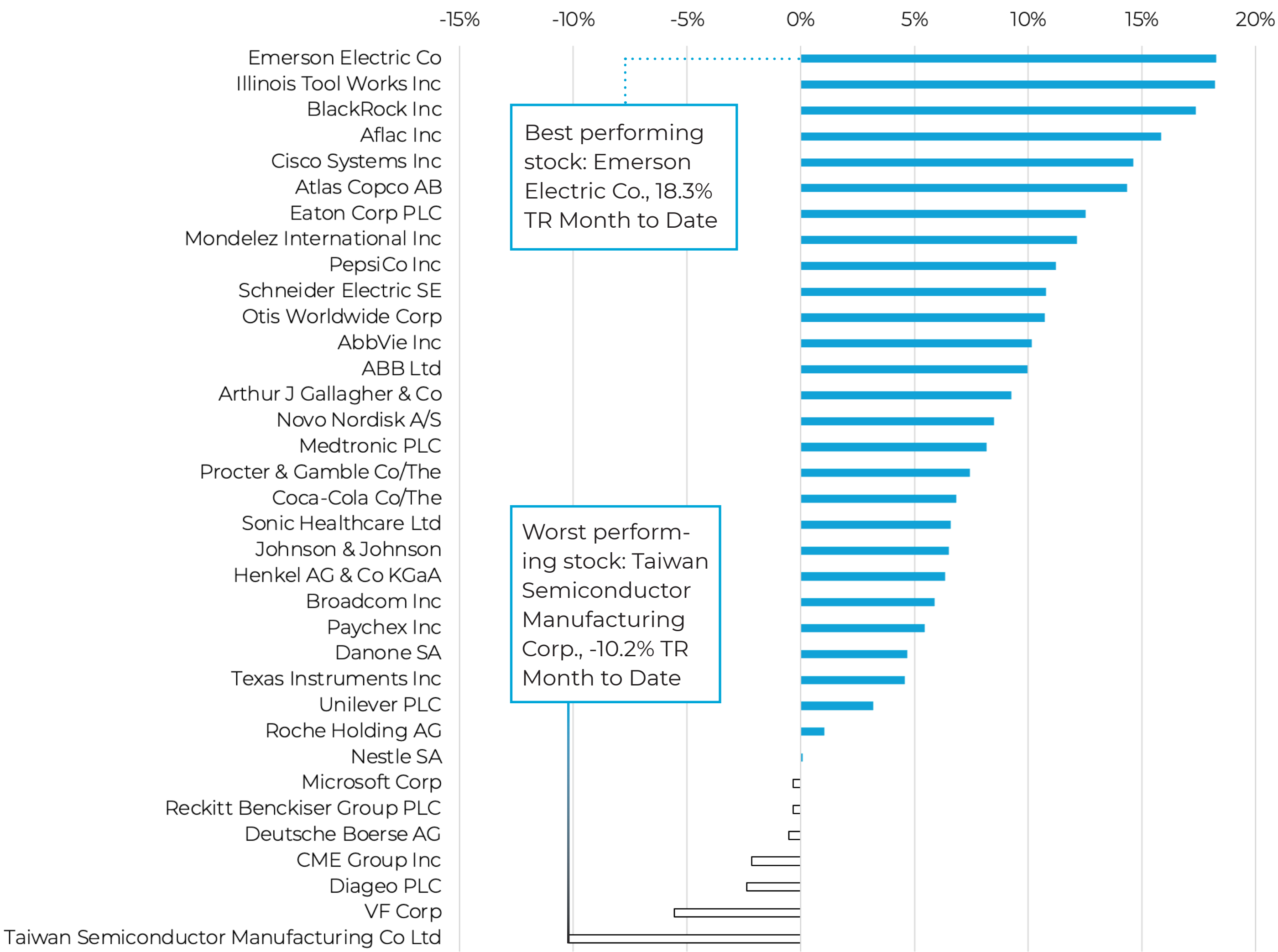
as of 10/31/2022

In October, DIVS was up 6.61%% (NAV basis), while the MSCI World Index benchmark was up 7.18%. The first two weeks of October were a familiar tale for equity investors. High inflation reads continued to weigh heavy on markets, global central banks continued with hawkish monetary policy, and geopolitical tension as well as political upheaval continued to create an uncertain macroeconomic picture. However, as earnings season kicked off, fortunes were quickly reversed as results came in generally better than expected. Despite pockets of weakness in certain sectors (Big Tech, Materials) the broader index surprised to the upside and key bellwether stocks showed a level of robustness in their core businesses which the market was not expecting. This led to a renewed sense of optimism that the year-to-date sell off may have been somewhat overdone.

Over the month of October, Fund performance can be attributed to the following:

- Zero exposure to the Energy sector was a significant drag on performance as the sector closed the month up 20% and was the MSCI's strongest performer.
- However, the Fund did benefit from an overweight allocation to Industrials (18.87% vs 10.04%) and Financials (15.71% vs 13.58%). These were the MSCI's second and third best performing sectors.
- The Fund also benefited from good stock selection within the Industrials sector as strong performance from Emerson Electric (+18.27%), Illinois Tool Works (+18.20%), and Atlas Copco (+14.13%) were a source of relative outperformance over the month.

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



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Emerson was the Fund's top performer, gaining +18.3% over the month of October. As one of the newest additions to DIVS, it is promising to see the business performing well. The month started with news that Emerson was entertaining a sale of its Climate Technologies business to private equity giant Blackstone. The division sits within their Commercial & Residential Solutions business and sells critical components for residential, commercial and refrigeration climate control systems. The market reacted positively to this news as a potential simplification of the Emerson portfolio at a reasonable valuation would support an evolution towards a higher underlying growth rate and a more streamlined set of operations. The deal closed on the last day of the month, with Emerson selling a majority stake for $14.0 Billion, a valuation in excess of what the market had previously expected. While this positive news undoubtedly drove strong performance over the month, it was also the growing expectations of a potential Fed pivot that helped returns. The possibility that the Fed would adopt a more dovish tone in their early November meeting led to a rally across the industrial sector as any easing in monetary policy would be a particular tailwind for cyclically exposed businesses.

TSMC, which fell -10.2% over the month, was the Fund's weakest performer in October. An escalation in geopolitical tension between the US and China weighed heavy on the stock, as did the news that the US would impose tighter controls over chip exports to China, shrouding the semiconductor industry in uncertainty. The stock fell 8.3% on the news, its biggest drop since going public in 1994. The new restrictions expand curbs on exports for advanced chips used in AI & supercomputing as well as tightening the rules on the sale of semiconductor equipment to any Chinese company. TSMC produces chips for a range of international companies which sell a significant portion of their products into the Chinese market and as a firm, derive c. 10% of their revenue from Chinese-based customers. TSMC did respond by cutting CAPEX c.10% and pushed some expenses out until 2023 however the firm showed no signs of slowing growth, posting a strong set of quarterly results. Revenues were up 48% YoY while net income grew 80%, supported by sustained demand for their industry-leading 5 nanometer (5NM) technologies. Going forward, end markets may soften due to customer inventory adjustments, but the outlook remains positive given that demand for 5NM remains buoyant and structural growth tailwinds remain beneficial to the business.

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As of 10/31/2022	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	-14.65%	-9.74%	7.69%	8.52%	9.54%	9.32%
DIVS at Market Price	-14.52%	-9.63%	7.70%	8.53%	9.55%	9.33%
MSCI World NR	-20.07%	-18.48%	6.10%	6.37%	8.93%	8.48%

As of 9/30/2022	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	-19.94%	-11.49%	6.42%	7.36%	8.86%	8.74%
DIVS at Market Price	-19.93%	-11.40%	6.39%	7.34%	8.85%	8.73%
MSCI World NR	-25.42%	-19.63%	4.55%	5.30%	8.10%	7.83%

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

30-Day SEC Yield (as of 10/31/22): 1.76% subsidized | 1.05% 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 Summary

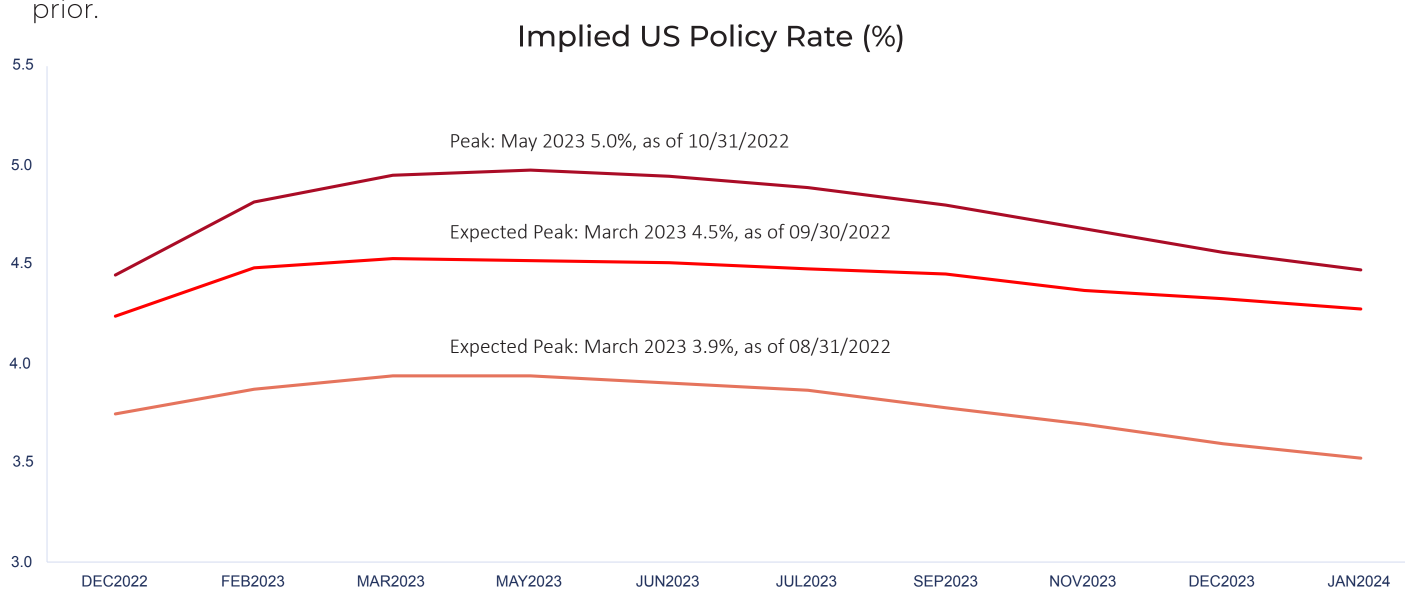
So far, in 2022, we have had dividend updates from 34 of our 35 holdings, and the average dividend growth in the Fund has been 7.3%.

- 29 companies announced increases for their 2022 dividend vs 2021. The average dividend growth of these companies has been 8.6%.
- 5 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.

October in Review

It was a difficult start to the month, as equity markets reverted to the status quo. Fears of a hard landing dampened sentiment and central banks did little to allay fears, reiterating their hawkish outlook, and hinting at further rapid rate hikes to come. Indeed, as the month progressed, the European Central Bank (ECB) announced 75 basis points of tightening and the Federal Reserve (Fed) posited further hikes of a similar magnitude for its early November meeting. It has become increasingly clear that inflation expectations are being revised upwards, as the market prices in higher rates for longer. The implied US policy rate now stands at a high of 5% for May 2023, a significant shift in expectations from just one month prior.



Source: Bloomberg, SmartETFs. Data as of October 31, 2022

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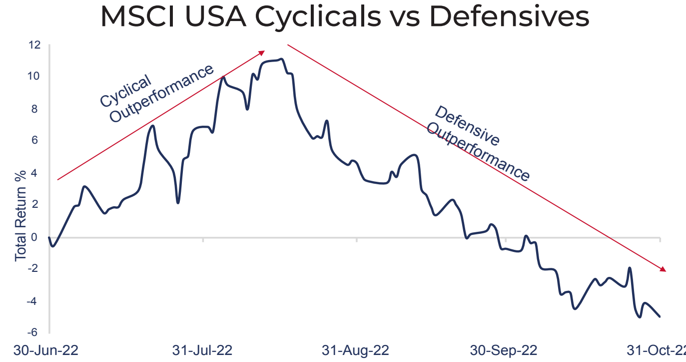
October in Review (continued)

Good news is bad news

Given that the Fed has made its intentions clear to continue raising rates until economic data shows evidence of a slowing economy, a paradox exists where good news is bad news for global markets. In other words, so long as US domestic conditions remain firm, including better than expected GDP reads (+2.6% for Q3) and tight labor markets (job openings exceeding job seekers by c.5 million people), the Fed may stick to an aggressive rate hiking cycle, given the robust nature of the real-world economy. Therefore, global markets have interpreted strong economic data with caution. Further positive news from US labor markets included record low unemployment of 3.5% with a stable participation rate of 62.3%. As more economic data was released, a broader shift away from cyclicals towards more defensive areas of the market ensued. At the same time, value outperformed over the later stages of the month, as the growthier parts of the markets fell out of favor.

MSCI World Growth vs MSCI World Value

MSCI USA Cyclicals vs Defensives



Source: Bloomberg. Data as of October 31, 2022.

Earnings: less bad than feared

Third-quarter earnings season began in earnest during the second full week of October, with a wave of market leaders reporting results. This quarter was seen as a key earnings season not only to gauge whether the early signs of an economic slowdown had affected profitability, but to also assess the forward-looking demand pipeline for bellwether stocks. Before the earnings season even kicked off, the difficult macro environment had fed through into expectations. FactSet estimates showed that the market was predicting an earnings growth rate of 2.2% for the S&P 500, the lowest earnings growth rate by the index since Q3 2020. However, earnings have been fairly robust so far. To date, 52% of S&P 500 companies have reported, of which 71% have come in ahead of expectations. A more granular break down of S&P 500 sector earnings is illustrated in the chart on the following page. It is worth noting that the surprise to the upside has been modest (also 2.2% above consensus), which is the second-lowest amount in the past nine years and is significantly below the 5-year and 10-year averages (8.7% & 6.5% respectively). Even with this meager growth, results have held up relatively well, or rather, they have come in less bad than previously feared given the significant negative sentiment that had already been built into consensus.

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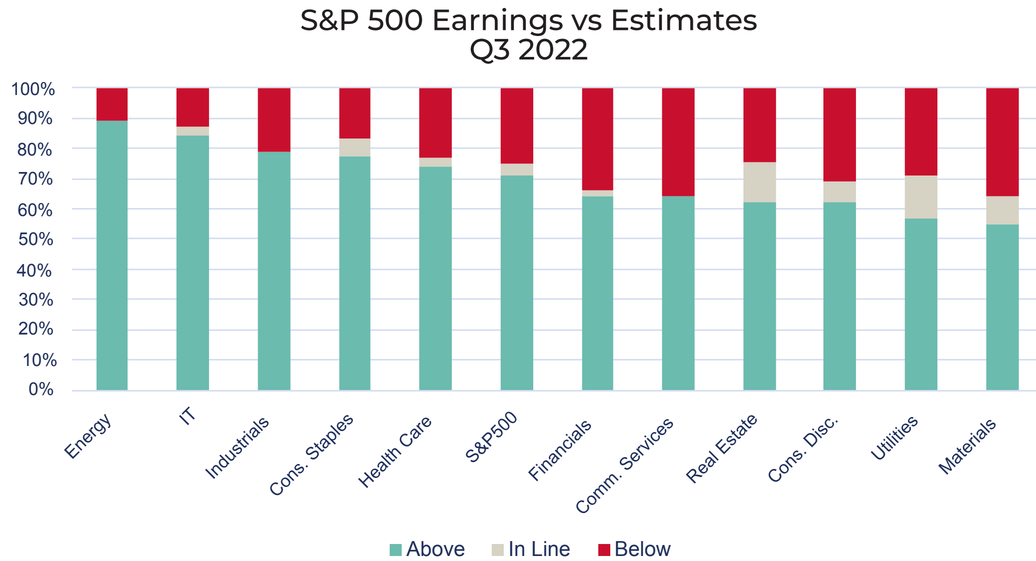
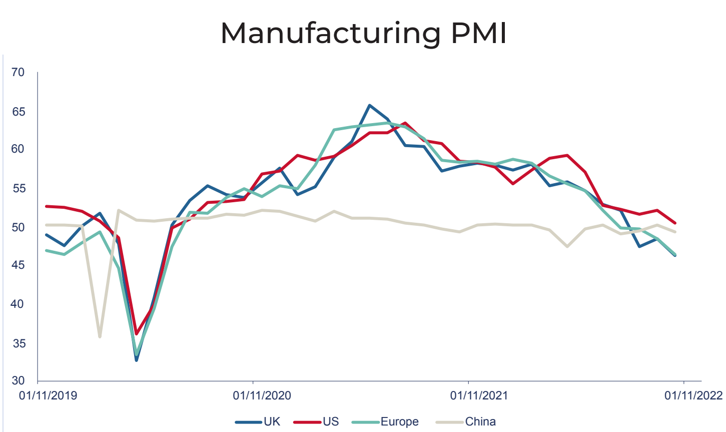
October in Review (continued)

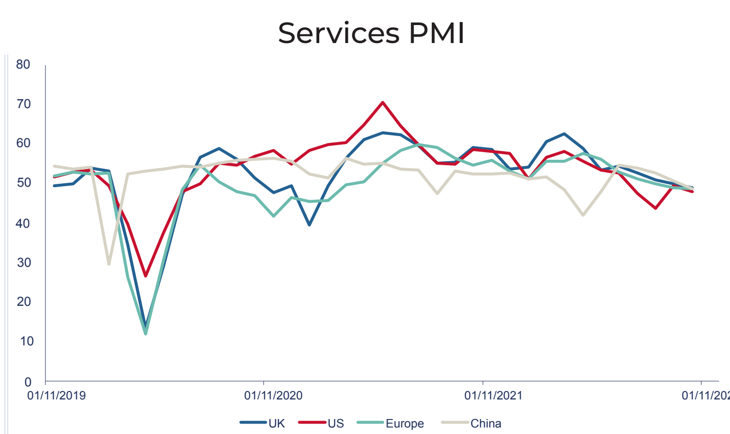


Source: FactSet. Data as of October 31, 2022

Forward Looking Indicators

Given this negative consensus, it is worth considering the actual data that hints at a troubling outlook. Flash Purchasing Managers' Indices (PMIs), which show business strength across the manufacturing and service sectors, showed signs of declining confidence over the month of October. In the US, manufacturing PMI fell to 49.9, its lowest level since early in the pandemic. Meanwhile the services survey declined to 46.6, with forward looking indicators notably weak. It was a similar tale for both the UK and China, where political and market instability have caused the respective composite PMIs to fall to 47.2 and 49.3. The broader declines can be seen in the charts below which split our confidence between manufacturing and services. While the trend is more pronounced amongst the manufacturing sector, services PMIs have clearly been declining over 2021 and continued this downward trend in October.





Source: Bloomberg. Data as of October 31, 2022.

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October in Review (continued)

Further bad news came in the form of Big Tech earnings. Market leaders (incl. Google and Meta) reported a slowing advertising spend over the past quarter, which is often an early warning sign of declining business confidence. Meta noted “near-term challenges on revenue and pricing declines driven by lower advertiser demand” while Google parent company Alphabet saw “a pullback in spend by some advertisers as … in challenging times like these, advertisers are carefully evaluating the effectiveness of their budgets”. In addition, the real estate market saw troubles with a slowdown in both housing starts and home sales in the US, which demonstrates the impact of higher mortgage rates on sector activity. Across a broad range of indicators, the macroeconomic data paints a fairly bleak outlook for the state of the global economy. However, even if the economic outlook deteriorates further, the year-to-date declines in equity markets might suggest that a significant amount of bad news has already been priced in. This would help to explain the October equities rally as any semblance of good news prompted a strong market reaction, despite the challenging backdrop.

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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.

Flash Purchasing Managers Index (PMI) is an estimate if manufacturing for a country, based on about 85% to 90% of total Purchasing Managers' Index survey responses each month. Any reading of the Flash Manufacturing PMI above 50 indicates improving conditions, while readings below 50 indicate a deteriorating economic climate.

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.

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.

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.