DIVS

The SmartETFs Dividend Builder ETF

December 2022 Update

SmartETFs

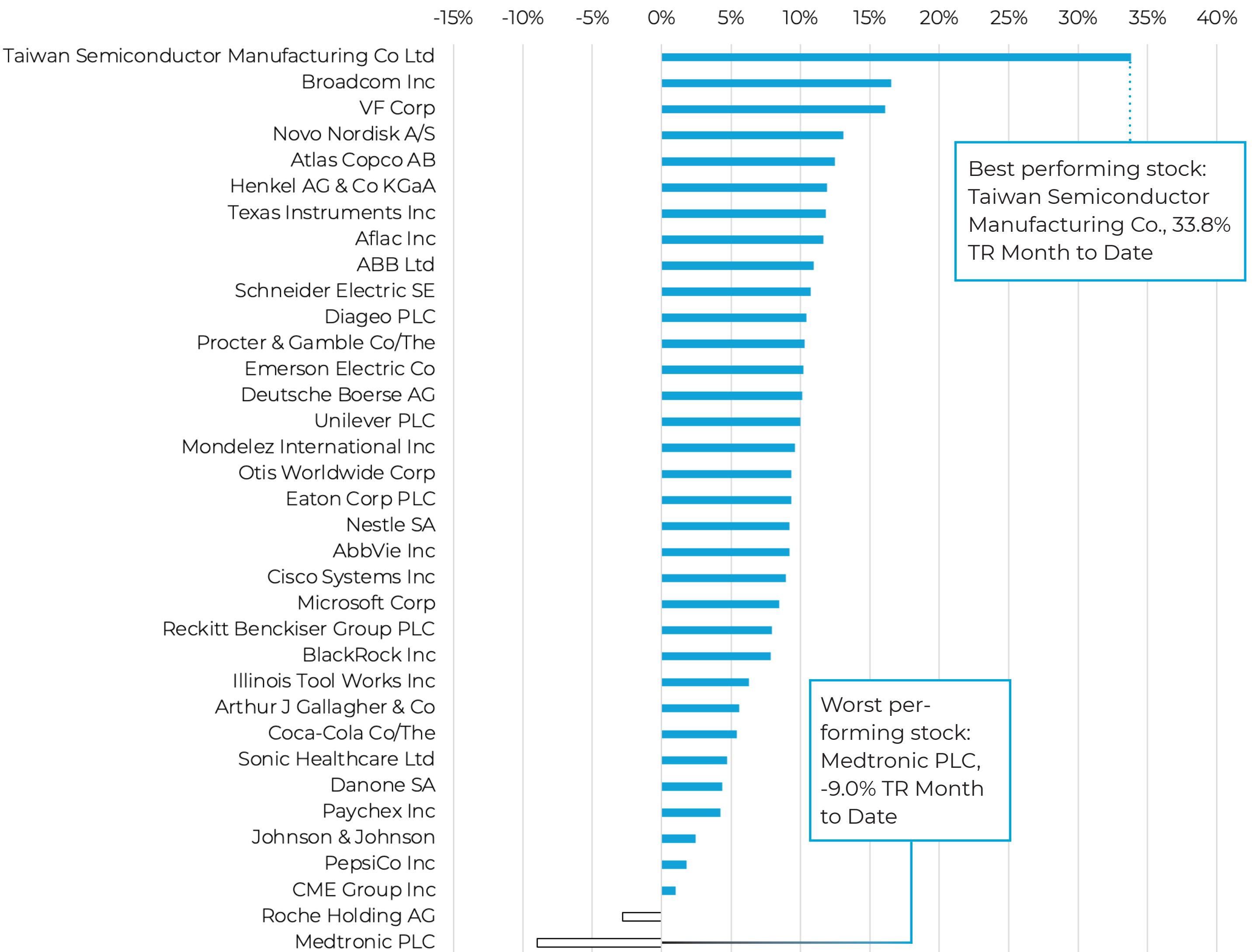
Portfolio Performance

as of 11/30/2022

In November, DIVS was up 8.94% (NAV basis), while the MSCI World Index benchmark was up 6.95%. It was a good November for equity markets, with the first back-to-back monthly gain since 2021. Early in the month, US stocks notched their strongest day in more than two and half years, with investors emboldened by promising US CPI data. The November read showed that consumer prices were increasing at a smaller rate than expected which may set the stage for a slower pace of interest rate rises by the Fed. As ever, Fed action is going to be a key driving factor for markets over the coming months, but this positive data point was a rare cause for optimism. More of our take on this topic on page 4. Over the month of November, Fund performance can be attributed to the following:

- A zero exposure to Materials, Utilities and Real Estate was a headwind from an allocation perspective, as these were 3 of the 5 best performing sectors.
- However, the significant overweight allocation to Industrials, coupled with the overweight position in Financials acted as a tailwind, with both sectors outperforming the benchmark.
- The Fund also benefited from strong stock selection in IT & Industrials. Good performance from names such as TSMC, Broadcom, Atlas Copco, and Schneider Electric were sources of relative outperformance over the month.

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



Portfolio Performance

Taiwan Semiconductor Manufacturing Company (TSMC) was the Fund's top performer, gaining 33.8% over November. It was a strong month for the world's largest semiconductor foundry, and investors reacted strongly to news that Warren Buffet's Berkshire Hathaway had taken a $4.1bn dollar stake in the business. TSMC is a key provider of 4 nanometer chips to Apple (Berkshire Hathaway's largest position by far) and the stock jumped 12% on the news. This was compounded by a positive month for chip makers across the board with strong earnings from key names including ASML and Tokyo Electron pushing sentiment higher. Additionally, President Biden and Chinese leader Xi Jinping's first meeting in office sought to stabilize geopolitical relations, with recent flair ups and chip sanctions weighing heavily on the sector. Looking forward, several structural tailwinds are set to endure, with semiconductor sales expected to surpass $1 trillion annually in the next decade, thanks to improvements in manufacturing capacity and subsidies for factory building by governments in the U.S. and Europe. We remain bullish on the sector and are encouraged by TSMC's strong performance over the month.

Medtronic was the worst performer over November, falling -9%. The world's largest medical device manufacturer reported a decent set of results, with 2% organic revenue expansion and key pockets of strength, including growth in their stronghold cardiovascular market and in the more nascent diabetes segment. Despite forecasting an acceleration in top line revenue growth into H2, there seems to be significant negative sentiment surrounding the stock. Broader issues including hospital staff shortages and supply chain issues still run large and notably, key clinical trial data from the Spyral Renal Denervation Study came in weaker than expected, missing its primary endpoint. However, the safety data from the study was still good and we therefore see this as a delay in the study as opposed to a total write off. In any case, the firm has a long pipeline of diversified product releases which should continue to fuel new growth in emerging segments and their competitive advantages in their core areas of competency persist. While we acknowledge the short-term headwinds, we remain optimistic on the business outlook and think Medtronic is well placed to capitalize on a range of structural growth trends.

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As of 11/30/2022	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	-7.02%	-0.27%	9.95%	9.84%	10.37%	10.13%
DIVS at Market Price	-6.77%	0.09%	10.01%	9.88%	10.39%	10.14%
MSCI World NR	-14.51%	-10.86%	7.52%	7.35%	9.53%	9.09%

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 11/30/22): 1.61% 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 Summary

So far, in 2022, we have had dividend updates from 34 of our 35 holdings.

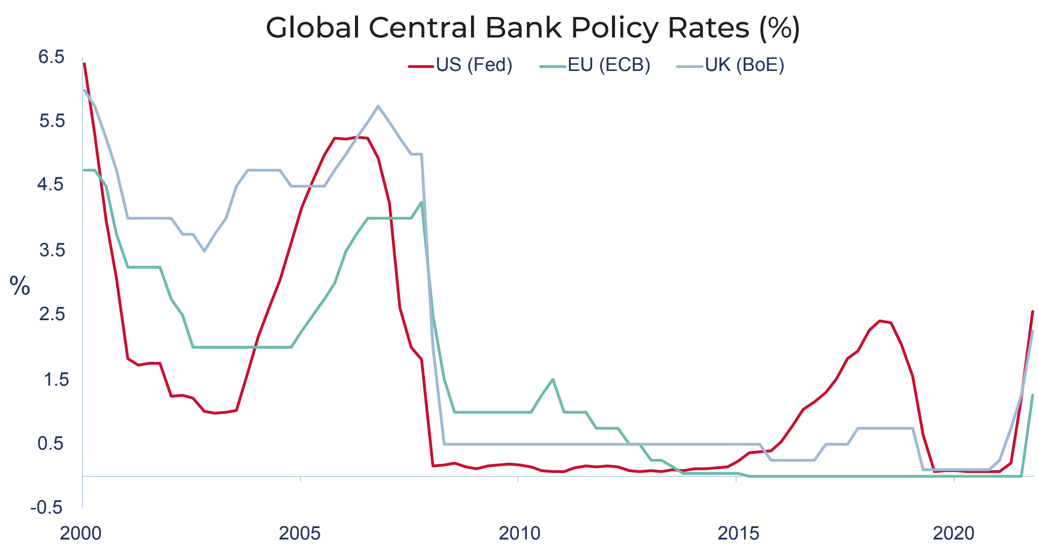
- 29 companies announced increases for their 2022 dividend vs 2021.
- 5 companies announced a flat dividend vs 2021.
- 0 companies announced dividend cuts.
- 0 companies announced dividend cancellations.

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

November in Review

Rates are Rising, but Moderation Ahead?

Such was the magnitude of loose monetary policy over the past two years, that central banks have needed to tighten rates with equal vigor. The past six months have seen the most rapid tightening of western monetary policy in more than two decades, with the Fed, ECB, and Bank of England all increasing in 75bp increments, and the central banks of Canada and Australia raising by 100bps. In short, the speed and scale of increases has been unprecedented in recent times. Even though it remains clear that keeping inflation under control is the predominant goal of almost every global central bank, there are notable signs that the future rate of increases will temper to more palatable levels.



Source: Bloomberg. Data as of November 30, 2022

In fact, the Bank of Canada has already started downsizing rate hikes with a 50bp lift in late October and the market seems confident that the Fed will follow suit (70% of FactSet investors believe the next US rate hike will be of a smaller increment). During the back end of the month, the Federal Open Market

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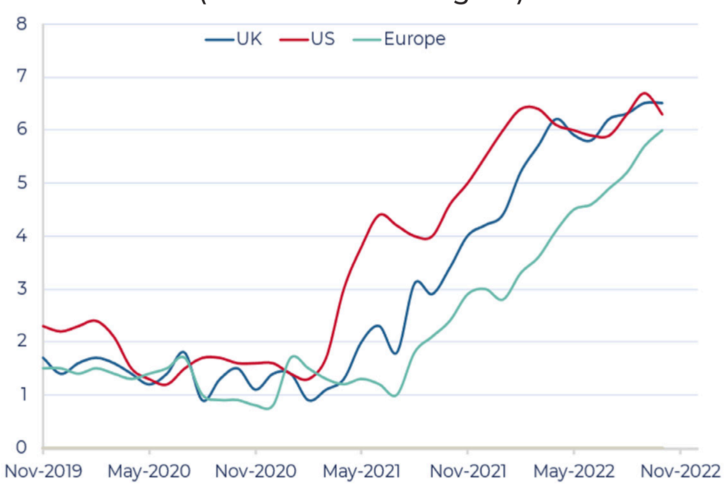
November in Review (continued)

Committee's (FOMC) November minutes were released, showing that a "substantial majority" of FOMC members believed it "likely soon appropriate" to slow the pace of interest rate hikes. It appears that the calculus has changed, given that rates have risen so far so fast, with a more measured approach going forward seemingly likely. On the last day of November, Powell gave his most explicit statement yet, noting that the Fed will "moderate the pace of rate increases… (and show) restraint" with future monetary policy. While the market is clearly aware that we are yet to reach terminal interest rates, there seems to be a growing consensus that smaller rate hikes are in store.

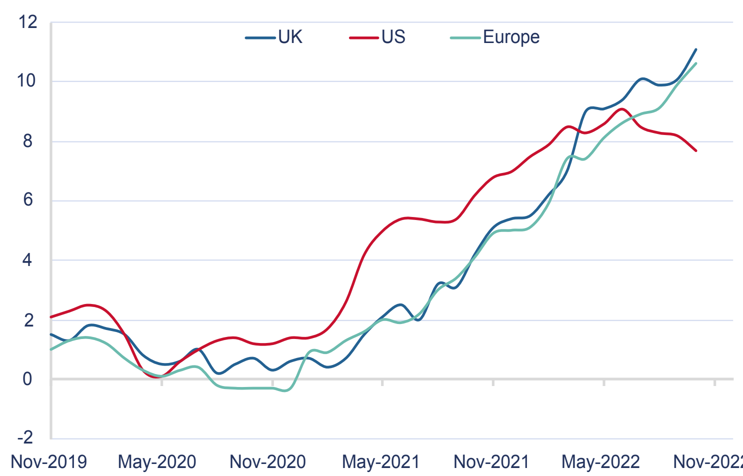
Latest Inflation Data - Where Are We?

The Fed has, on numerous occasions, reiterated their "data driven approach" to assessing inflation, which poses the key question – what is the data saying? Earlier in the month, equity markets were buoyed by a positive US Consumer Price Index (CPI) print, which showed that consumer prices rose 7.7% in October, 0.3% less than expected and the smallest 12-month increase since January. The market reacted positively, anticipating peak inflation and a potential slowdown in future interest rate increases. Bond yields fell substantially on the inflation news, as did the US dollar, with global stocks rallying dramatically. The S&P 500 closed up 5.5%, with European and Asian markets following suit over the subsequent trading sessions, given a renewed sense of optimism. While clearly a step in the right direction, it is one data point in isolation and in reality, the picture is far more complex.

Core CPI
(Year on Year Change %)



Headline CPI
(Year on Year Change %)



Source: Bloomberg. Data as of November 30, 2022.

Headline inflation is the raw inflation figure reported through the Consumer Price Index (CPI). The CPI determines inflation by calculated the prices on a fixed basket of goods. Core inflation removes the CPI components and can exhibit large amounts of volatility from month to month.

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November in Review (continued)

The Case for Moderating Inflation: Positive Data

There are additional data points which signal an improving outlook. Goods prices have fallen materially from pandemic highs, which has been supported by a sharp fall in global shipping rates. A 40-foot container from Shanghai to New York surpassed the $16,000 mark at its peak but is now back down to just over $4,000 and falling further (in line with other routes). Furthermore, the Global Supply Chain Pressure Index has eased significantly from its peak of 4.2 in November 2021. The latest reading of 1.0 is nearing a range closer to its long-term historical average, and is a positive sign given material prior concerns over supply side constraints.

Source: Bloomberg, Drewry. Data as of November 30, 2022

On a company level, inventories have recovered from the rock bottom levels reached last year and are back at pre-pandemic numbers as evidenced by the Purchasing Managers' measure of unfilled orders. Even on an input cost basis, the CBR Raw Materials Index, which measures the movements of 22 basic commodities has shown a stabilization (~0% YoY change over the past 3 months) causing US goods inflation to fall off sharply. Short term imbalances over the past two years drove prices for major commodities including oil, gas, metals, agricultural products, and semiconductors to multi-year highs but, at present, a range of data highlights an improving picture on both the supply and the demand side.

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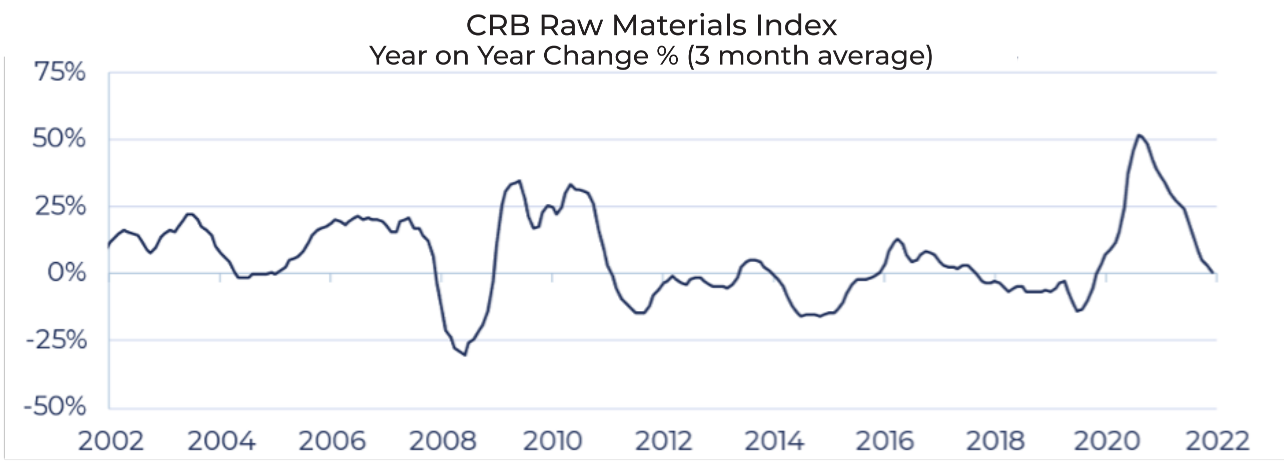
November in Review (continued)



Source: Bloomberg. Data as of November 30, 2022

The Case for Stubbornly High Inflation: Think Long Term

Despite these easing indicators that show an improving inflation outlook, perhaps the most important data point is the long-term market inflation expectation. In past minutes, Fed Chair Jay Powell has discussed the major role that forward expectations play in “influencing inflation behavior” at present. In other words, when the market forecasts higher inflation, it can drive up current prices in a self-fulfilling manner. It is therefore understandable that the Fed remains very sensitive to this extended outlook. The preliminary Survey of Consumers was released over the month and showed that five-year ahead inflation expectations had risen from 2.9% to 3%. This has become an unwanted trend, given that just a few months ago, five-year ahead inflation expectations were at 2.7%. This trend was backed up by Consumer Expectations from the New York Fed, where three-year ahead expectations jumped materially from 2.8% to 3.1% over the month. It seems that expectations have been moving in the wrong direction as of late, especially given that for much of the last decade they have been relatively well anchored. The further out in the future you go, the greater the consensus between projected rates. The issue arises given a sharp divergence in upcoming expectations for the next 5 years, as the latest survey shows that 25% of consumers expect deflation, while the same amount see inflation in excess of 4%. Whatever one reads from the vast array of data, it is likely that the Fed will want to see a more coherent & unified forward inflation expectation before putting the pause on rate rises all together.

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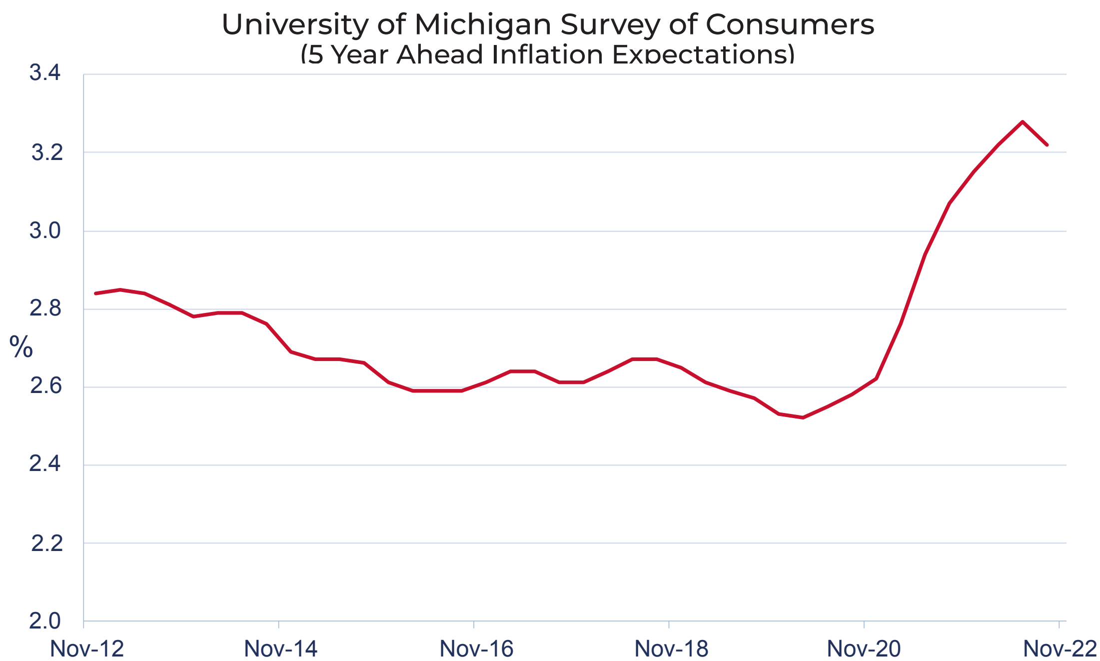
November in Review (continued)



Source: Bloomberg. Data as of November 30, 2022

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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.

Consumer Price Index (CPI) measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending.

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.