MRAD

The SmartETFs Advertising and Marketing Technology ETF

January 2023 Update

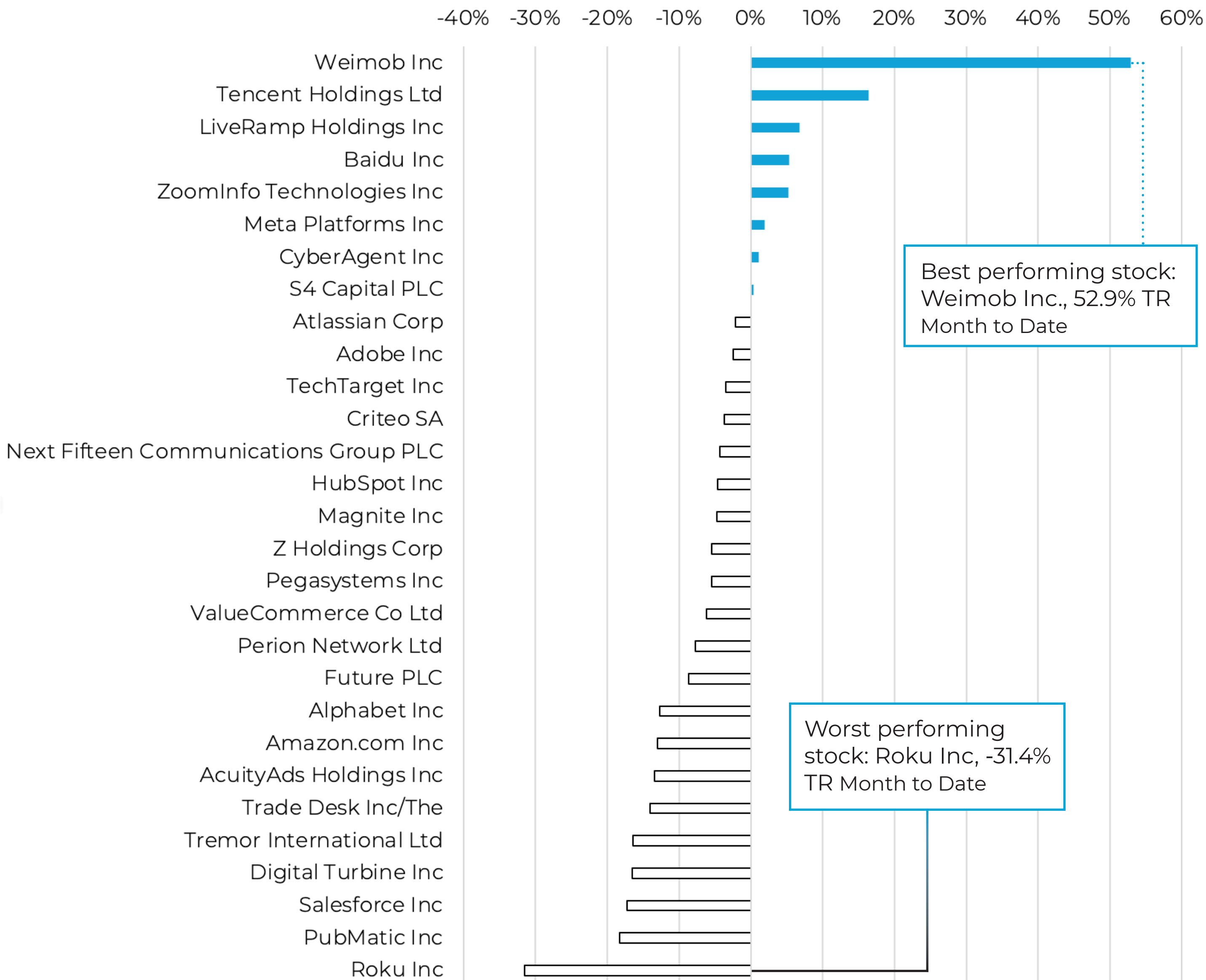
SmartETFs

Portfolio Performance

as of 12/31/2022

MRAD produced a total return of -4.65% on a net asset value basis (-4.96% market basis) in the month of December. Weimob led the pack for MRAD for the second month in a row, while Roku lagged as the bottom performer. Check out MRAD's performance review, starting on page 2.

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



Weimob, was the best performer in the month. Weimob is a software-as-a-service CRM platform which provides cloud-based marketing solutions to small and medium-sized enterprises in China. The company's products are categorized into three cloud service offerings, namely Commerce Cloud, Marketing Cloud, and Sales Cloud. Weimob helps businesses that do not have software development experiences to build m-commerce platforms on WeChat at lower costs. Strong recent performance comes in light of the

Chinese economy re-opening after COVID-zero lockdowns, leading to a subsequent bounce in cyclical advertising and tech stocks.

Roku was the worst performer in the month. Roku manufactures wireless digital media players that stream video and audio content from the internet to home entertainment systems; the firm's operating system is used in its own hardware and in co-branded TVs and soundbars. Roku is the leading streaming platform in the US by hours watched, with over 40 billion hours of content streamed last year. More than 65 million people have Roku accounts, and the firm generates revenue from selling devices, targeted advertising, and channel subscriptions. Underperformance comes after its quarterly results indicated that gross margin dropped to 46.9%, 6.6% lower year-on-year. The company has been impacted by rising content costs and competition, while also being exposed to an unattractive macro environment where advertising is being cut. Nonetheless, there is a lot for investors to like. Sales gains could return to 20% in 2024 as active accounts continue to build and more ad dollars shift toward connected TV platforms from legacy channels. Though platform revenue should outpace hardware sales, supply-chain pressure, rising hardware competition and a steep jump in operating expenses could crimp margins, potentially delaying positive EPS until 2026-27. Still, we think Roku is positioned well given about half of US pay-TV households may cut the cord by 2024.

Portfolio Performance

As of 12/31/2022	1 Month	6 Months	YTD	1 Year	Since Inception (12/31/20)
MRAD at NAV	-4.65%	-12.46%	-53.56%	-53.56%	-29.58%
MRAD at Market Price	-4.96%	-12.26%	-53.65%	-53.65%	-29.75%
MSCI World NR	-4.25%	2.97%	-18.14%	-18.14%	-0.14%

Expense Ratio: 0.68% (net) | 4.90% (gross)

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 0.68% 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.

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Performance Review

Market Commentary

Following three quarters of decline, the MSCI World Index finished in positive territory over Q4. Similar themes of rates, inflation, and economic growth continued to drive markets. Corporate earnings season proved to be the impetus needed to reignite some positive momentum back into equities. While there were certainly pockets of weakness, particularly from Big Tech, earnings were generally robust, especially when looking through the strong dollar headwind. Driven by recessionary expectations and broader macro weakness, the S&P 500 started Q3 down more than 25% year-to-date, despite the fact that corporate earnings remained resilient throughout 2022. With many analysts suggesting that this sell-off was overdone, even "in-line" results and guidance tended to be met with a positive share price reaction. This could be seen by the fact that the MSCI World's Price to Earnings (P/E) ratio expanded ~ 7% in the latter half of October, despite a 0% change in earnings expectations for 2022.

The strength of the US economy was highlighted further at the end of October with a GDP print of 2.6% (annualized), surprising analysts to the upside and ending a two-quarter streak of negative growth, bringing hope that the Fed may yet achieve a "soft-landing". However, markets adjusted expectations to reflect that central banks may now be emboldened to maintain course with hawkish monetary policy - a headwind for growth stocks. The value rotation that began mid-Q3 therefore continued throughout Q4. And while economic data continued to prove resilient, fears of a material global economic slowdown remained, driving outperformance of defensive orientated stocks. Consequently, we saw strong performance from Energy, Industrials and Financials, and relatively weaker performance from IT, Communication Services and Consumer Discretionary.

Fund Attribution Analysis

Value outperformed growth in the quarter given the higher interest rate expectations. The style rotation proved a drag on the Fund's performance given it holds high growth AdTech and MarTech names. Higher rates used to discount future growth, reduces the valuation of such fast-growing companies. Further, the Fund is predominantly exposed to the Communications sector and US region, which both performed poorly in the quarter.

The cyclical nature of advertising and marketing has meant that both industries struggled in 2022 given the inflationary pressures and slower growth environment. This is unsurprising given that businesses face higher costs and greater uncertainty of rising demand for goods and services, and so discretionary advertising spend is cautiously lower. This can, however, change rapidly if new macroeconomic data and stock market movements point to optimism regarding inflation peaking and the economy reigniting.

At the fund level, MRAD has also seen a multiple compression. At the start of the year, MRAD was trading on a 1-year forward price-to-earnings multiple of 26.9% vs the MSCI World Index at 20.3% - a premium of

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Performance Review (continued)

50%. At the end of December, the Fund traded on a P/E multiple of 16.9% vs the Index at 15.5% - a premium of 9%.

With inflation seemingly moderating and global Central Banks appearing to slow the rate of growth hikes, and a significant de-rating in valuations having occurred, many of the 2022 headwinds for equity markets, and growth stocks in particular, are looking more positive. However, uncertainty remains as none of these issues have been resolved conclusively and second-order effects, or indeed new issues, may arise in the coming months. Indeed, with global growth expected to slow, the prospects of a recession remain high (particularly in Europe and Asia), potentially creating a meaningful dent into company earnings. In many respects, we believe these concerns have largely been "priced-in" to earnings estimates, but this does not necessarily preclude further earnings downgrades to come.

The Fund at year end has higher expected sales and earnings growth vs the broad market and this is characteristic of the secular growth that the AdTech/MarTech industries are expected to experience. While there may be volatility in equity markets and for AdTech companies, there is good reason to be optimistic longer term. We continue to see an acceleration in technological transformations that we believe will have a lasting effect on how consumers and businesses operate once the economic cycle turns to growth. As such, we believe this Fund and its holdings are well positioned to benefit from such transformations, which include the move from traditional to digital advertising.

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Disclosure

MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI world index does not offer exposure to emerging markets.

Indexes are unmanaged. Direct investment in an index is not possible.

Price to Earnings (P/E) Ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share. The price to earnings ratio is also sometimes known as the price multiple or earnings multiple.

Basis Point (BP) refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%.

Forward Earnings are an estimate of a company's earnings for upcoming periods. They project future revenues, margins, tax rates, and other financial data.

Forward Sales are a method for hedging price risk that involves an agreement between a lender and an investor to sell particular kinds of loans at a specified price and future time.

Investing involves risk, including possible loss of principal.

The companies in which the Fund invests may be subject to rapid changes in technology, intense competition, rapid obsolescence of products and services, evolving industry standards, and changes in business cycles and government regulations. These risks can adversely affect the value of companies in which the fund invests.

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.