MRAD

The SmartETFs Advertising and Marketing Technology ETF

May 2023 Update

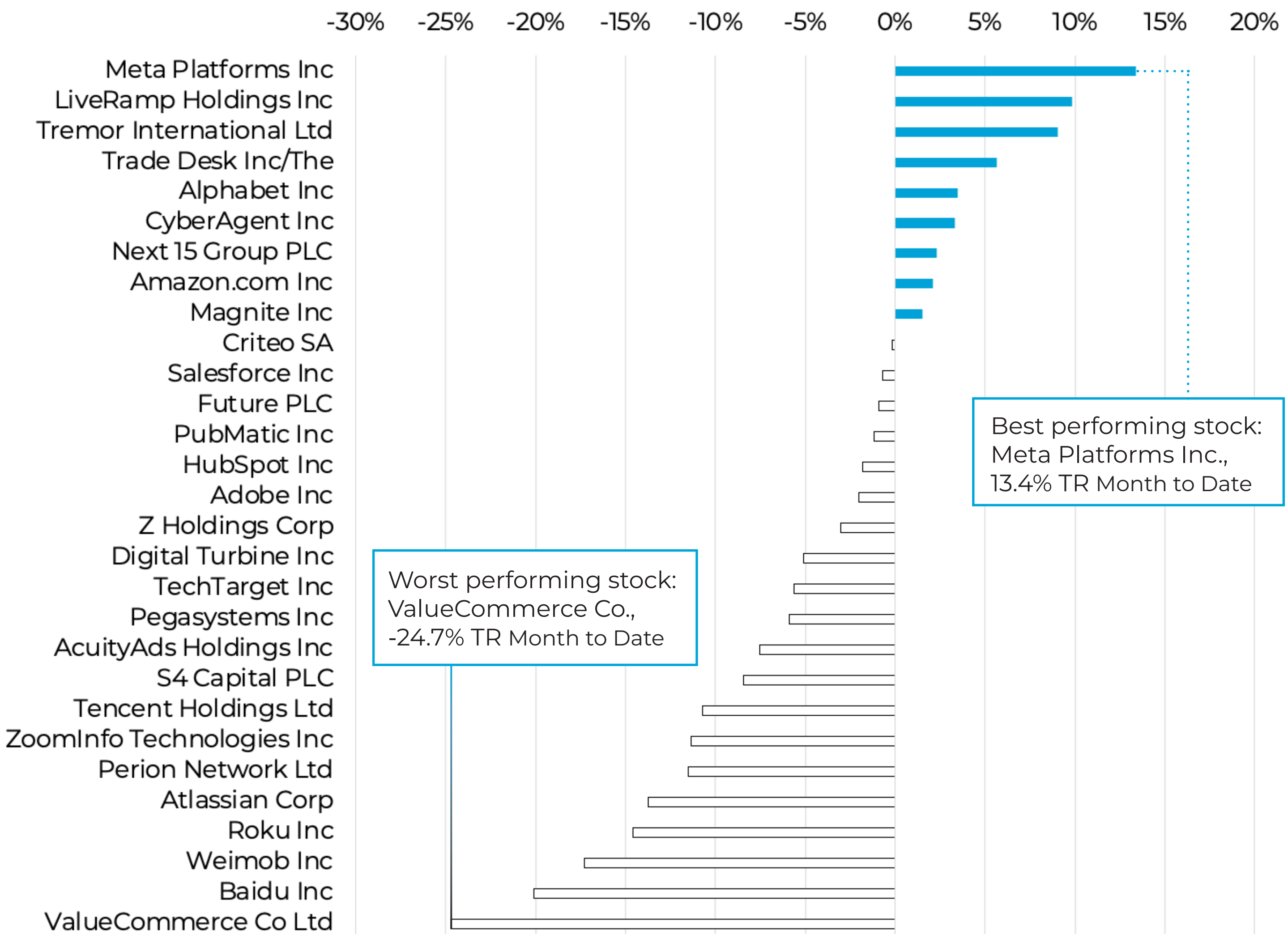
SmartETFs

Portfolio Performance

as of 04/30/2023

MRAD produced a total return of -3.55% on a net asset value basis (-3.42% market basis) while the MSCI World Index produced a total return of 1.75% in the month of April. Meta led the pack this month, while ValueCommerce was the laggard. Check out our thoughts on how the Fed's latest policies will impact MRAD holdings, and more, below.

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



Meta Platforms was the best performer in the month. Meta's stellar 2023 performance (+98.8% year to date) continued into April, finishing as the Fund's top performer (+13.4% USD). Earlier in the year, Meta shifted their focus towards their cost structure which had been a core drag on the share price over 2022, particularly with respect to their Metaverse investments. While the headline news in February was certainly the cost focus, the underlying strength of the core platform was also apparent. The firm's Q1 results were no different. After three consecutive quarters of negative top-line growth, revenues grew 2.6% year on year (YoY), ahead of consensus (-1% expected). This was led by strong ad revenues (+7% YoY) stemming

continued on following page...

from better engagement and more effective monetization – highlighting Meta's ability to grow even during a difficult spending environment in advertisements. The firm also saw several improvements to customer metrics, including above expected growth in Daily Active Users. The firm's "reels" product has proven itself to be highly effective at driving greater engagement, with AI recommendations driving a +24% increase in time spent on Instagram since the launch of the product. Meta also issued an improved cost guidance forecast for FY2023 as their efforts to realize efficiency gains across the business continue to gather steam.

ValueCommerce was the worst performer in the month after missing analyst earnings and revenue estimates. ValueCommerce is a Japanese company engaged in the advertising and customer relationship management (CRM) businesses. The advertising segment includes affiliate service provider (ASP) services, search engine optimization (SEO) services, and search engine marketing (SEM) services.

Portfolio Performance

As of 04/30/2023	1 Month	6 Months	YTD	1 Year	Since Inception (12/31/20)
MRAD at NAV	-3.55%	11.16%	10.63%	-18.40%	-22.73%
MRAD at Market Price	-3.42%	10.82%	11.08%	-17.92%	-22.76%
MSCI World NR	1.75%	12.26%	9.62%	3.18%	3.90%

As of 03/31/2023	1 Month	6 Months	YTD	1 Year	Since Inception (12/31/20)
MRAD at NAV	3.76%	14.80%	14.71%	-27.78%	-22.21%
MRAD at Market Price	3.84%	15.39%	15.02%	-27.49%	-22.29%
MSCI World NR	3.09%	18.25%	7.73%	-7.02%	3.24%

Expense Ratio: 0.68% (net) | 7.51% (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, 2026.

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.

MRAD

The SmartETFs Advertising and Marketing Technology ETF

May 2023 Update

SmartETFs

The Fed Said...

The Federal Reserve is dual mandated to achieve both maximum employment and price stability. Yet with unemployment hovering around multi-decade lows, bringing elevated inflation under control has become the priority. With Goods, Energy and Food inflation all appearing to be under control – or at least not contributing significantly anymore – all eyes are on Services. Progress in slowing wage growth is certainly a positive, particularly in younger age groups. It also appears that the US economy is cooling, with GDP figures for Q1 showing a sharp deceleration to 1.1%, significantly below the 2.6% in Q4 of 2022 and the 3.2% the quarter prior, suggesting the lagged impact of monetary policy could be taking effect. The banking crises may also play into the Fed's hands due to the resulting tightening of credit.

On the other hand, this is yet to filter through to a meaningful reduction in core inflation, which remains at elevated levels. The Fed's preferred measure, Personal Consumption Expenditure, has shown little moderation in recent periods. Since March last year, the Fed has hiked rates in nine consecutive meetings, and are expected to do the same in early May, before cutting at the back end of 2023. With the relative resilience of services inflation, it may be some time until a pivot is seen towards looser monetary policy. Fed officials have been non-committal about how much more will need to be done in order to quell inflation, but they have been clear on one-thing at least – that achieving the 2% target is likely to require "below trend growth and softening in labor market conditions". Many market analysts agreed, and Goldman Sachs downgraded their 2023 US GDP forecast by 25bps-50bps as the impacts of tighter monetary policy weigh heavy on the mid-term growth outlook. While this is negative for cyclical industries like advertising, much of this is now priced into valuations of companies. Further, many companies - such as those in the Fund - are exposed to secular growth (i.e. adtech and martech) and less susceptible to cyclical economic pressures.

There's more where that came from!

Have you signed up for our FREE monthly newsletter? We send out great content (like this monthly update) that lots of people love. Sign up today and you could win a free subscription to our newsletter! Join us at SmartETFs.co/newsletter.

Not an email type of person? Follow us on Twitter @SmartETFs! We've always got something to say.

MRAD

The SmartETFs Advertising and Marketing Technology ETF

May 2023 Update

SmartETFs

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.

Net Asset Value (NAV) represents the net value of an investment fund's assets less its liabilities, divided by the number of shares outstanding.

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%.

Earnings Per Share (EPS) is a company's net profit divided by the outstanding shares of its common stock.

Consumer Price Index (CPI) measures the monthly change in prices paid by U.S. consumers based on a representative basket of goods and services over time.

Beta is a measure of the volatility of a security compared to the market as a whole.

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.