SOLR

The SmartETFs Sustainable Energy II ETF

April 2023 Update

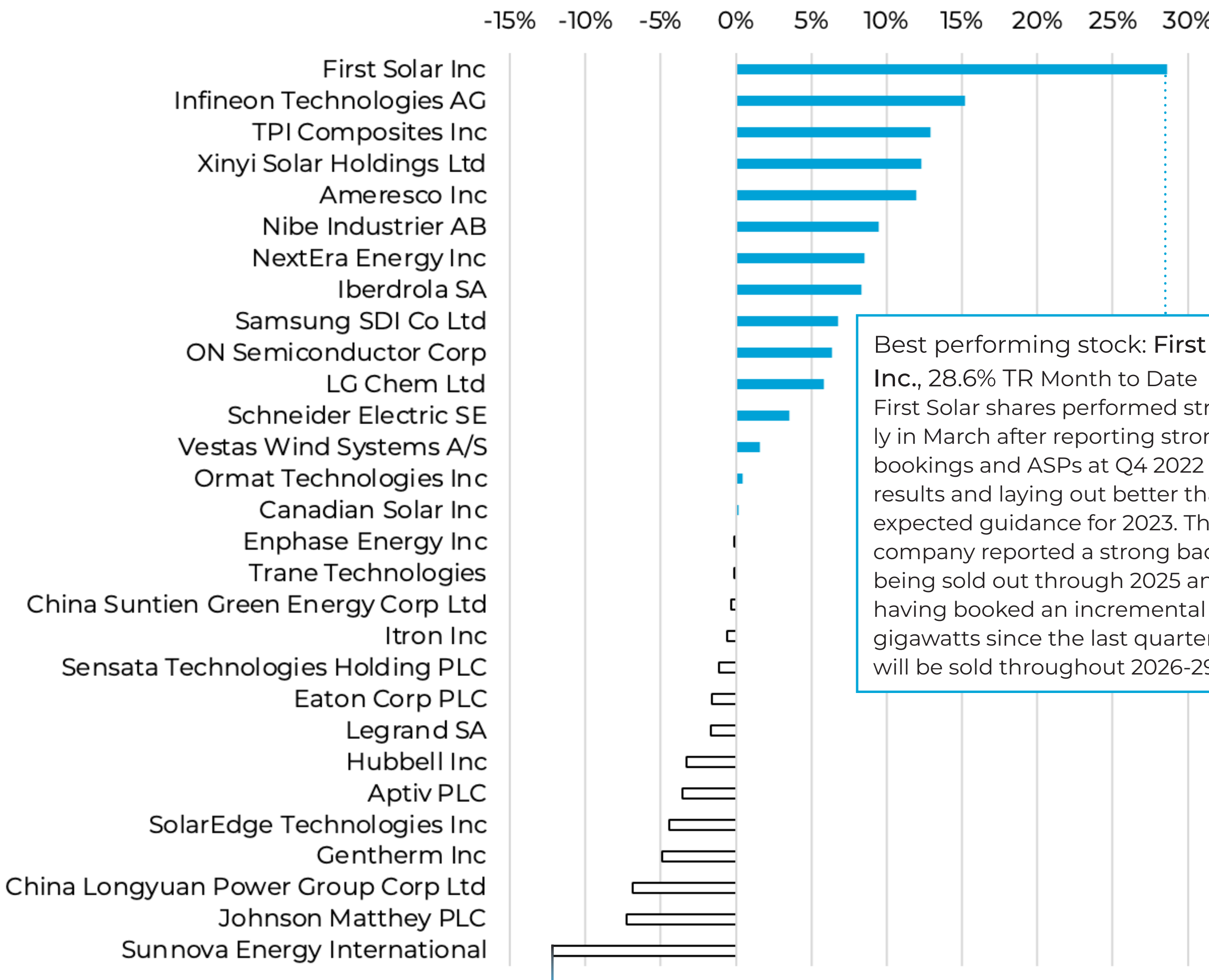
SmartETFs

Portfolio Performance

as of 03/31/2023

Global stock markets were stronger in March, with SOLR up 3.31% (NAV basis), while the MSCI World Index benchmark was up 3.09%. The first quarter of 2023 saw continued positive momentum for the energy transition. Further details emerged on the significant energy transition policy commitments that were announced by the EU and US last year. Against this, disruption in the banking sector, coupled with increasing interest rates, brought fears of a slowdown in funding that could affect the level of future sustainable energy investments. Read on for more information on SOLR performance and the latest news on the sustainable energy industry.

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



Best performing stock: **First Solar Inc.**, 28.6% TR Month to Date
First Solar shares performed strongly in March after reporting strong bookings and ASPs at Q4 2022 results and laying out better than expected guidance for 2023. The company reported a strong backlog, being sold out through 2025 and having booked an incremental ~12 gigawatts since the last quarter that will be sold throughout 2026-29.

Worst performing stock: **Sunnova Energy International**, -12.1% TR Month to Date
Sunnova underperformed last month after being caught up in a clean energy sell off due to concerns around tightening bank lending standards after Silicon Valley Bank's (SVB) bankruptcy. In the same month, Sunnova announced minimal exposure to SVB, not holding cash deposits or securities with the bank, nor utilizing them for any treasury management services.

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As of 03/31/2023	1 Month	6 Months	YTD	1 Year	Since Inception (11/11/20)
SOLR at NAV	3.31%	21.33%	9.31%	5.21%	10.66%
SOLR at Market Price	3.30%	21.91%	9.40%	5.58%	11.68%
MSCI World NR	3.09%	18.25%	7.73%	-7.02%	5.85%

Expense Ratio: 0.79% (net) | 2.84% (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 0.79% 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.

Interesting News

- March saw EU lawmakers approve a law which will effectively ban the sale of new petrol and diesel cars in the bloc from 2035. Germany raised a last-minute objection, threatening to demolish the legislation. However, the EU managed to negotiate a compromise, allowing an exemption for vehicles exclusively powered by carbon neutral e-fuels produced from green hydrogen and carbon captured from the atmosphere.

- Last month, Chinese lithium carbonate prices fell to ~CNY200,000 (approximately $29,040 USD) per tonne, representing a decline of over 60% from peak levels seen in November 2022. The price weakness reflected the prospect of an increase in global supply later this year, along with signs of slowing growth in Chinese EV sales. The drop provides relief for EV OEMs after high metal prices pushed up average battery prices (which make up ~40% of the cost of an EV) in 2022.

- January saw Tesla slashing prices by up to 20% across its EV range to offset slowing EV demand growth in China. The weakening in demand was due to Beijing ending its clean mobility incentive program. Since then, a flurry of domestic and international EV-makers have followed suit, with BYD, XPeng, Nio and Volkswagen racing to offer Chinese customers generous discounts. In March, the price war escalated, drawing in additional Chinese OEMs and spreading to petrol and diesel vehicles. There is no consen-

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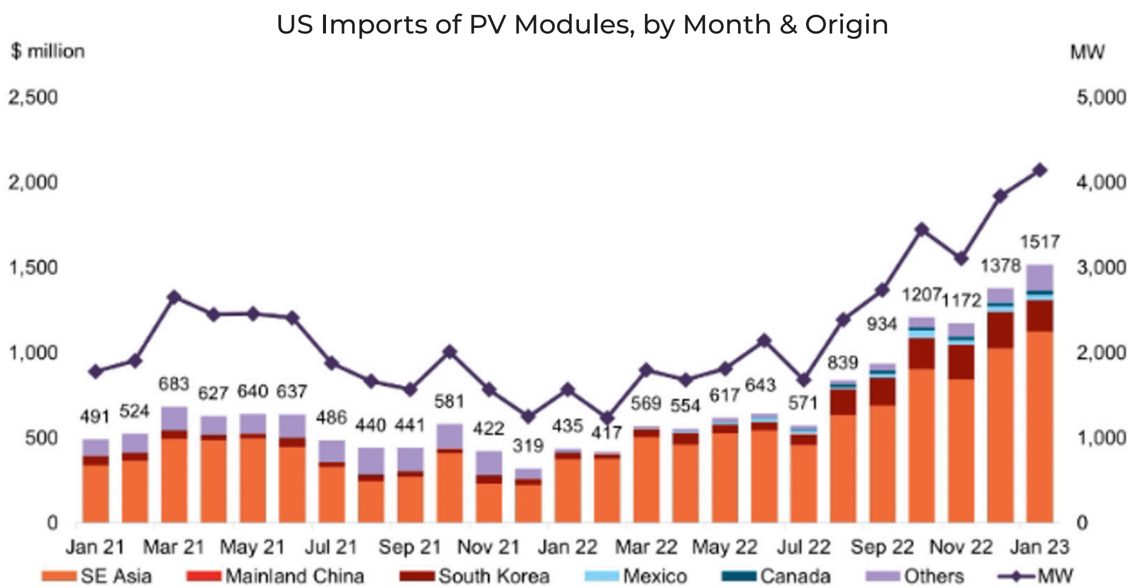
Interesting News

sus on how long the price war will last, but commentators expect a profound industry revamp, driving some automakers out of business and accelerating the pace of new energy vehicle adoption.

- The world's top climate scientists have stated that global warming is "more likely than not in the near-term to reach a 1.5C rise since pre-industrial times". The UN Intergovernmental Panel on Climate Change found that the risks of warming were greater than thought at the time of the last assessment in 2014, stressing that the solutions already exist: renewable energy, electric vehicles, carbon taxes, removal of fossil fuel subsidies. The report highlighted the need for more action as current targets put the world on track for 2.8C of warming by 2100.

- The pace of US solar capacity additions fell by 16% in 2022 according to Wood Mackenzie and the Solar Energy Industries Association. Customs delays, tariff uncertainty and soaring lobal demand have hiked solar costs and delayed US projects. Installations are expected to rebound in 2023 thanks to the Inflation Reduction Act, a landmark subsidy package with a goal to halve emissions by 2030.

- January 2023 saw the highest level of US spending on solar module imports since BNEF started tracking this customs data in 2017. Modules were imported at an average price of $0.37 per watt suggesting an imported volume of over 4GW. The increase in volume and value is likely due to clearer rules on how to comply with Uyghur Forced Labor Prevention Act along with the release of previously detained modules.



Source: Bloomberg New Energy Finance. Data as of March 31, 2023

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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.

Investing involves risk, including possible loss of principal.

The Fund's focus on the energy sector exposes it to greater market risk than if its assets were diversified among various sectors. Sustainable energy businesses are subject to various industry risks such as rapid and evolving changes in technology, demand for energy and economic factors as well as governmental polices and regulations. The Fund may invest in multiple countries including emerging markets and international companies which involves different and additional political, social, legal and regulatory risks. The global interconnectivity of industries and companies can be negatively impacted by economic uncertainties, environmental conditions and global pandemics or crises. These events can contribute to volatility, valuation and liquidity issues which could cause the value of the Fund to decline.

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.