SOLR
The SmartETFs Sustainable Energy II ETF
April 2024 Update

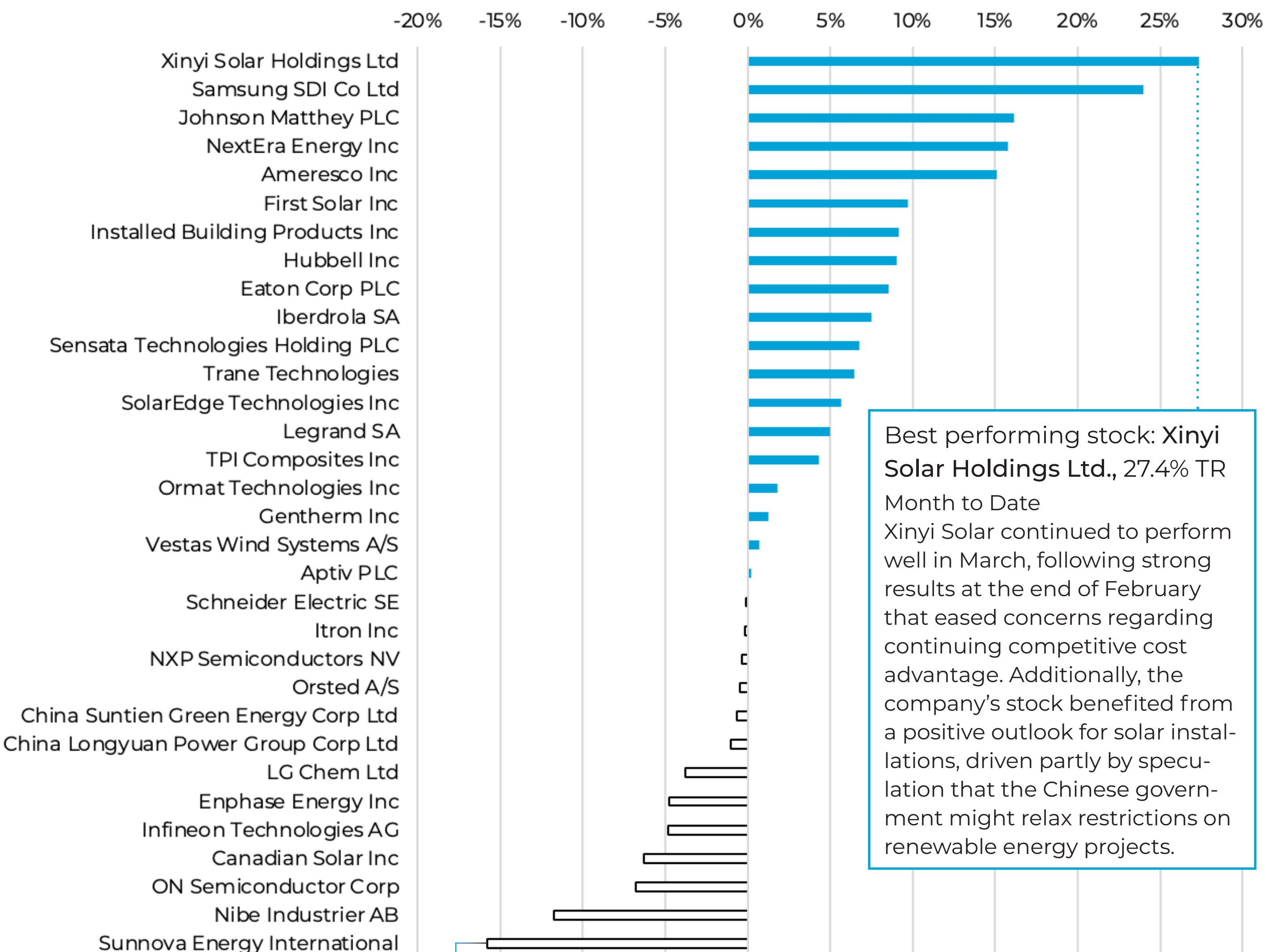
SmartETFs

Portfolio Performance

as of 03/31/2024

SOLR outperformed its index in March, with the MSCI World Index benchmark delivering 3.21% while SOLR delivered 4.01% on NAV basis, and 3.93% on a market price basis. For the second consecutive month, Xinyi Solar and Sunnova Energy respectively took the lead and lagged behind the portfolio. In March, China set more ambitious energy intensity targets for 2024 after falling short of last year's goal, while the European parliament approved a new law targeting emissions from buildings, aiming to reduce emissions through renovations and zero-emission requirements for new buildings by 2030. Despite policy changes, market saturation, and headlines claiming slowing growth in EV sales, we continue to maintain optimism about the future of electric vehicles. Read on for more!

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



Best performing stock: **Xinyi Solar Holdings Ltd.,** 27.4% TR Month to Date
Xinyi Solar continued to perform well in March, following strong results at the end of February that eased concerns regarding continuing competitive cost advantage. Additionally, the company's stock benefited from a positive outlook for solar installations, driven partly by speculation that the Chinese government might relax restrictions on renewable energy projects.

Worst performing stock: **Sunnova Energy International**, 15.8% TR Month to Date
Sunnova shares underperformed again in March as investor concerns over high cash burn, impending debt maturities, and a potential capital raise continued to weigh on the stock.

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As of 03/31/2024	1 Month	YTD	1 Year	3 Years	Since Inception (11/11/20)
SOLR at NAV	4.01%	-0.50%	-9.84%	-1.75%	4.16%
SOLR at Market Price	3.93%	-0.81%	-10.07%	-1.78%	4.76%
MSCI World NR	3.21%	8.88%	25.11%	8.60%	11.20%

Expense Ratio: 0.79% (net) | 3.29% (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, 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.

A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.

SmartETFs

Interesting News

- March saw China set more stringent energy intensity targets for 2024 after missing last year's goal. After reducing its energy intensity by just 0.5% in 2023, the country is aiming to achieve a 2.5% reduction in 2024, higher than last year's goal of 2%. In the same month, the European parliament approved a new law targeting emissions from buildings. The proposed revision of the Energy Performance of Buildings Directive aims to progressively reduce emissions through renovating the worst performing structures and stipulating that new buildings must be zero emission from 2030. For residential buildings, member states would be required to put in place measures to achieve a 16% reduction in primary energy consumption by 2030 and 20-22% by 2035.

- By 2027, battery electric vehicles are forecasted by Gartner to become cheaper to produce on average compared to gasoline and diesel cars. The market research firm anticipates a faster decline in production costs than the cost of batteries, driven by innovations like centralized vehicle architectures and gigacasting. These advancements are aiding in reducing manufacturing costs and assembly time. Bloomberg New Energy Finance also predicts a significant drop in battery costs, from $139/kWh to less than $100/kWh by 2027, representing a decrease of around 30%.

- After facing project cancellations and delays due to spiraling cost inflation, the offshore wind market is starting to recover according to the CEO of Portugal's largest utility, EDP. The company is seeing a major reset in power purchase agreements with companies and government backed contracts, achieving price levels that are now high enough prices to make projects economically viable again. Many countries are relying on a huge and rapid build-out of offshore wind farms to meet climate targets which have high upfront costs but can provide cheaper energy than fossil fuel plants over the long term.

- Solar panel prices have nearly halved in the past year and are expected to remain at current levels for up to 2 years according to the President of the Malaysian Photovoltaic Industry Association. In a boon for renewable developers globally, Chinese module prices have fallen from around 26 cents (USD) per watt in March 2022 to around 11 cents per watt in March 2023. Prices have fallen as oversupply grips the industry with the current supply base able to meet roughly double the current demand.

- Last month, Germany launched its first tender for carbon contracts for difference, offering up to €4bn of support towards industrial decarbonization projects. Under the scheme, industrial producers submit a carbon price that they say would allow them to invest in decarbonization while remaining competitive against fossil fueled rivals. If a steel producer requires a carbon price of €100/tonne and EU carbon prices are €50/tonne, the state would pay the company the €50 difference. Similarly, if EU carbon prices were $100/tonne, the steel company would pay €10/tonne back to the state.

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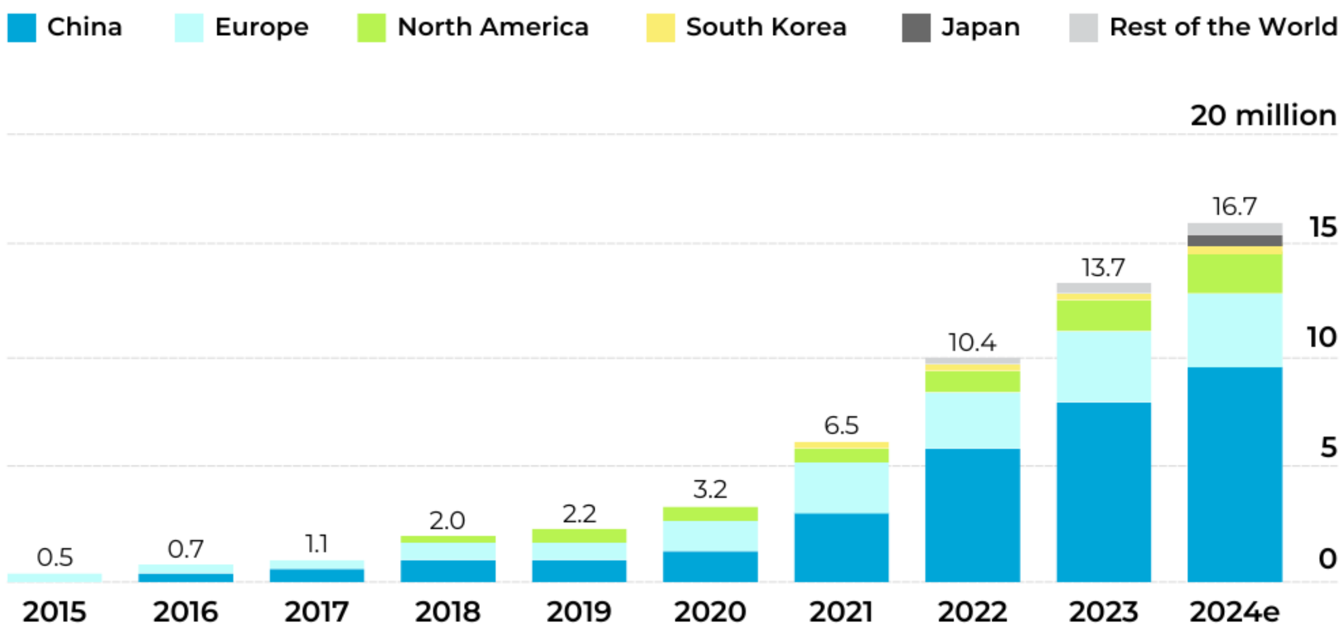
Interesting News (continued)

Slowing electric vehicle (EV) sales growth has been prominent in the media recently, but slowing growth is not the same as no growth. Bloomberg New Energy Finance (BNEF) expects 16.7m EVs to be sold worldwide in 2024, a 22% rise from 2023 levels. This is slower than the 30% and 60% growth rates seen in 2023 and 2022 respectively but nevertheless remains a robust growth rate. Despite policy changes in Europe, market saturation in China, and election uncertainty in the US weighing on consumer confidence, we maintain a positive outlook on the future of EVs.

EV Sales by Region



Source: Bloomberg New Energy Finance. Data as of March 31, 2024.

There's more where that came from!

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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.

Earnings per Share is a company's net profit divided by the number of common shares it has outstanding. It indicates how much money a company makes for each share of its stock and is a widely used metric for estimating corporate value.

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.