

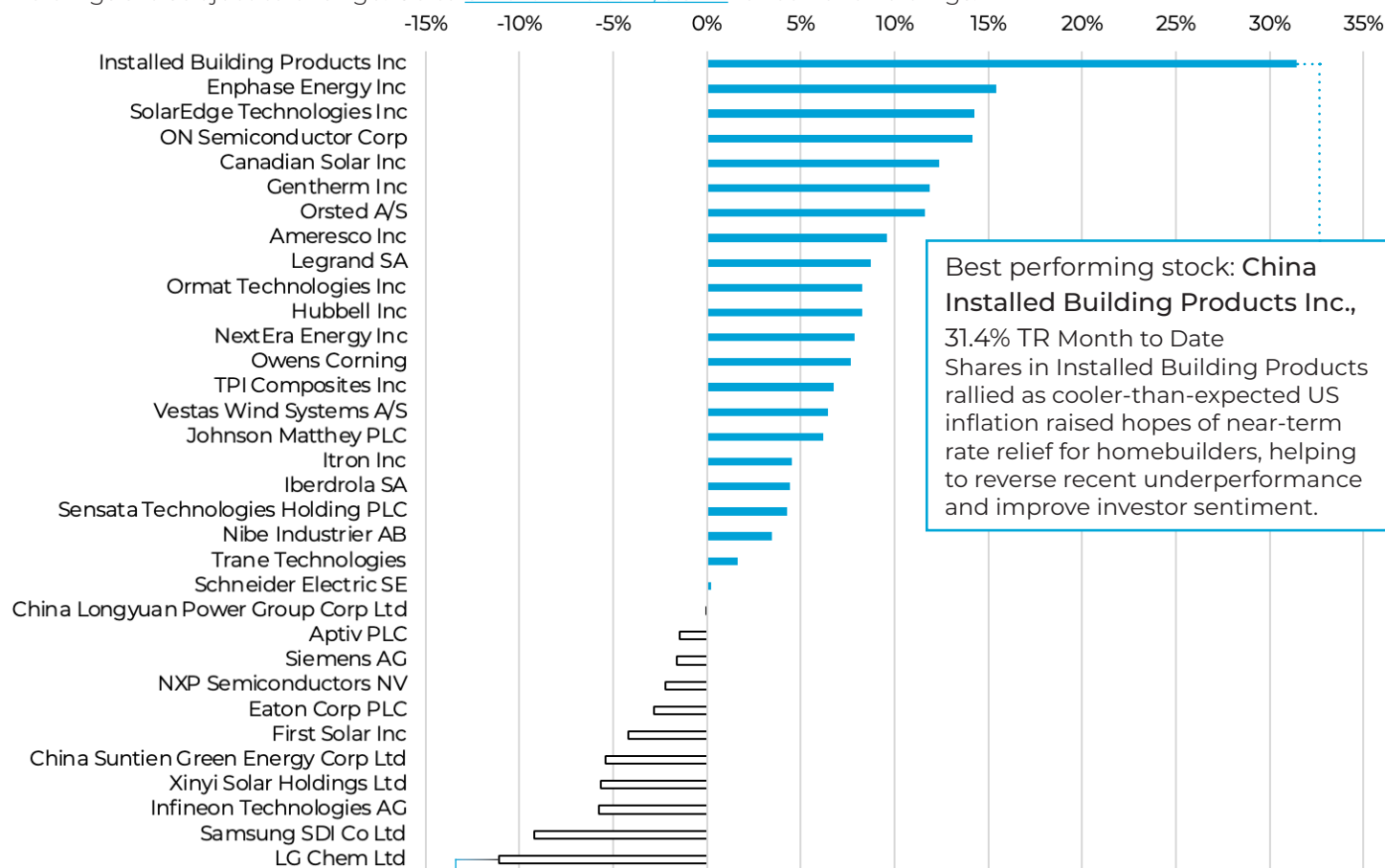


#### Portfolio Performance

as of 07/31/2024

SOLR outperformed its index in July, with the MSCI World Index benchmark delivering 1.76% while SOLR delivered 3.75% on NAV basis, and 3.92% on a market price basis. Top performers included Installed Building Products (IBP), along with residential solar companies Enphase and SolarEdge. IBP shares surged alongside the broader home-building sector as lower-than-expected US inflation sparked hopes for imminent interest rate relief. Enphase and SolarEdge saw gains due to signs of demand recovery following a challenging period of destocking. On the other hand, weaker performers included Samsung SDI and LG Chem, which were impacted by slower-than-anticipated electric vehicle sales, affecting demand for lithium-ion batteries. Renewable energy saw significant milestones in the first half of 2024, with wind and solar surpassing fossil fuels in Europe and nuclear power in the U.S., while China's coal-fired generation hit a record low. The global energy landscape is further transforming with major investments in offshore wind in the U.S., projections of quadrupling battery demand driven by electric vehicles, and a resurgence in biofuel sector activity, highlighted by key mergers and acquisitions. Read on for more!

Holdings are subject to change. Go to [SmartETFs.com/SOLR](https://SmartETFs.com/SOLR) for current holdings.



**Best performing stock: China Installed Building Products Inc.,**  
31.4% TR Month to Date  
Shares in Installed Building Products rallied as cooler-than-expected US inflation raised hopes of near-term rate relief for homebuilders, helping to reverse recent underperformance and improve investor sentiment.

**Worst performing stock: LG Chem Ltd., -11.1% TR Month to Date**  
LG Chem was weak in the month after its battery division - LG Energy Solution - saw operating profit decline 24% quarter-on-quarter and lower guidance, reflecting a weaker metal price outlook and limited electric vehicle demand recovery.

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](https://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.

# SOLR

## The SmartETFs Sustainable Energy II ETF

August 2024 Update



**SmartETFs**  
by Guinness Atkinson

### Portfolio Performance

As of 07/31/2024	1 Month	YTD	1 Year	3 Years	Since Inception (11/11/20)
SOLR at NAV	3.75%	0.25%	-9.36%	-3.54%	3.99%
SOLR at Market Price	3.92%	-0.53%	-9.90%	-3.69%	4.40%
MSCI World NR	1.76%	13.72%	18.34%	6.84%	11.44%

As of 06/30/2024	1 Month	YTD	1 Year	3 Years	Since Inception (11/11/20)
SOLR at NAV	-8.04%	-3.37%	-12.08%	-4.26%	3.03%
SOLR at Market Price	-8.40%	-4.28%	-12.93%	-4.56%	3.41%
MSCI World NR	2.03%	11.75%	20.19%	6.85%	11.18%

Expense Ratio: 0.79% (net) | 3.18% (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, 2027.

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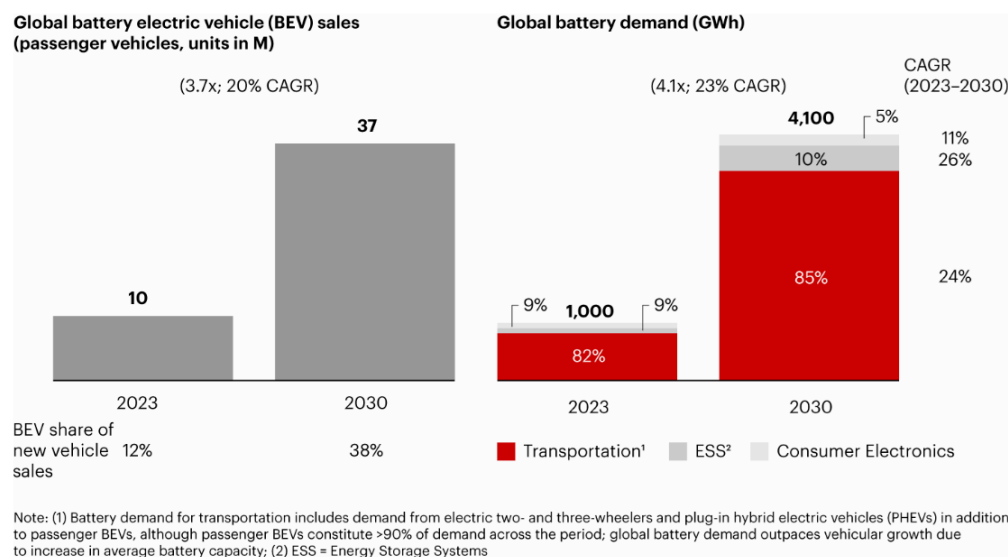
A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.



#### Interesting News

- The first six months of 2024 were a strong start to the year for renewable energy generation. According to Ember, wind and solar generated more electricity than fossil fuels in Europe for the first time ever in a half-year period. Similarly, in the United States, wind and solar power surpassed output from nuclear plants for the first time, cementing renewable energy assets as the primary source of clean power in the country. Meanwhile in China, the share of coal-fired generation fell to 53% in May, the lowest share on record, thanks to a growing contribution from wind and solar.
- July saw the American Clean Power Association release its 2024 Offshore Wind Market Report, which projected that US developers are on track to invest \$65bn in offshore wind projects by 2030, creating 56,000 jobs. Across 37 leases in the US, 56GW (gigawatts) of capacity is currently under development, enough to provide electricity to power 22 million homes. Building upon the 7.6GW of offshore wind projects seeking to be operational by 2027, the agency forecasts 14GW will be deployed by 2030, 30GW by 2033, and 40GW by 2035.
- Last month, Bain & Company published a report forecasting global battery demand to quadruple between 2023 and 2030. The consultancy sees electric vehicle sales increasing from around 10 million units in 2023 to 37 million units in 2030. Lithium-ion batteries are expected to remain the dominant energy storage technology for the foreseeable future with nickel manganese cobalt (NMC) and lithium iron phosphate (LFP) chemistries set to retain over 90% market share. The firm believes that emerging technologies such as solid-state and sodium-ion batteries are still at an early stage and their use will remain limited and will remain less than 10% of the mix by 2030.

#### Global battery demand expected to exceed current levels 4x by 2030



Source: Bain & Company

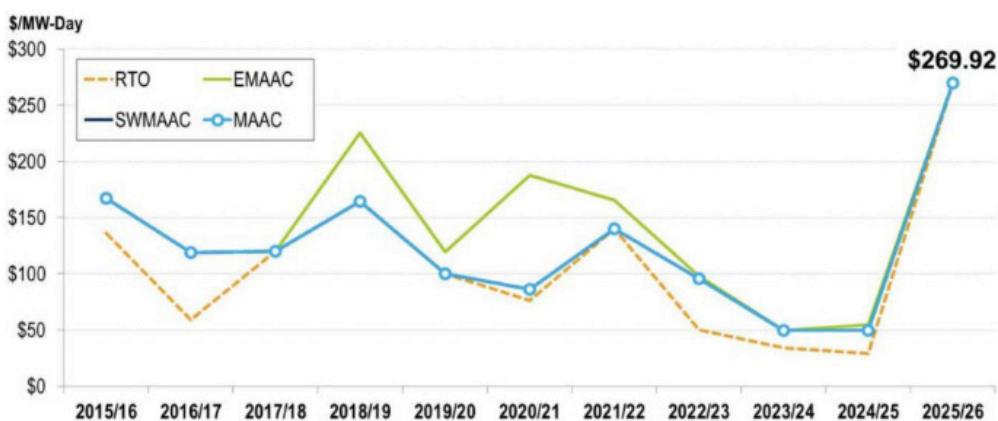
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#### Interesting News (continued)

- After a period of depressed biofuel prices, last month saw an uptick in mergers & acquisitions activity in alternative fuel companies. KKR is in talks with Eni, exploring the purchase of a 25% stake in the company's biofuel arm Enilive, which could value the business at €11.5-12.5bn (\$12.75-13.86bn USD), well above market expectations. Strong interest from financial institutions means that it has the option to sell an additional 10% stake. Separately, commodity trader Gunvor has agreed to acquire half of Varo Energy's \$600m Dutch biofuel project in a further sign of confidence in the sector. Gunvor will share the costs of developing the planned facility to turn waste into sustainable aviation fuel (SAF) and biodiesel at the port of Rotterdam.
- According to data published by Rho Motion, global EV sales rose 13% in June versus the same month in 2023. The increase was driven by growth in China, where plug-in vehicle sales reached a record 50% penetration in the month with fully electric BEVs making up 28% of sales and increasingly popular plug-in hybrids (PHEV's) taking 22% share. The BYD Song was China's top selling vehicle across plug-ins and internal combustion models at over 52,000 units, with Tesla's Model Y coming in second at over 44,000 units. Cleantechnica speculates that if this pace continues, China's market could be fully electric by around 2030, if not sooner.
- PJM Interconnection, the largest electrical grid operator in the US, held its annual power market auction at the end of July, producing a staggering price of \$292.92/MW-day, nearly 10x higher than the prior year's results. This jump points to a tightening supply-demand balance driven in-part by:
  1. fossil fuel capacity retirements and
  2. increased demand thanks to factors such as EV adoption, reshoring, and data centers.

Clearing Price Results in PJM's Base Residual Auction



Source: PJM, Powermag. Data as of July 2024.

# SOLR

## The SmartETFs Sustainable Energy II ETF

### August 2024 Update



There's more where that came from!

Join our newsletter at [SmartETFs.co/newsletter](https://SmartETFs.co/newsletter) or follow us on Instagram [@SmartETFs](https://www.instagram.com/SmartETFs)!

#### 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 policies 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](https://www.SmartETFs.com). Read the prospectus or summary prospectus carefully before investing.**

Shares of the Fund are distributed by Foreside Fund Services, LLC.

[SmartETFs.com](https://SmartETFs.com)

SOLR: August 2024

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