DIVS

The SmartETFs Dividend Builder ETF

February 2025 Update

SmartETFs
by Guinness Atkinson

Portfolio Performance

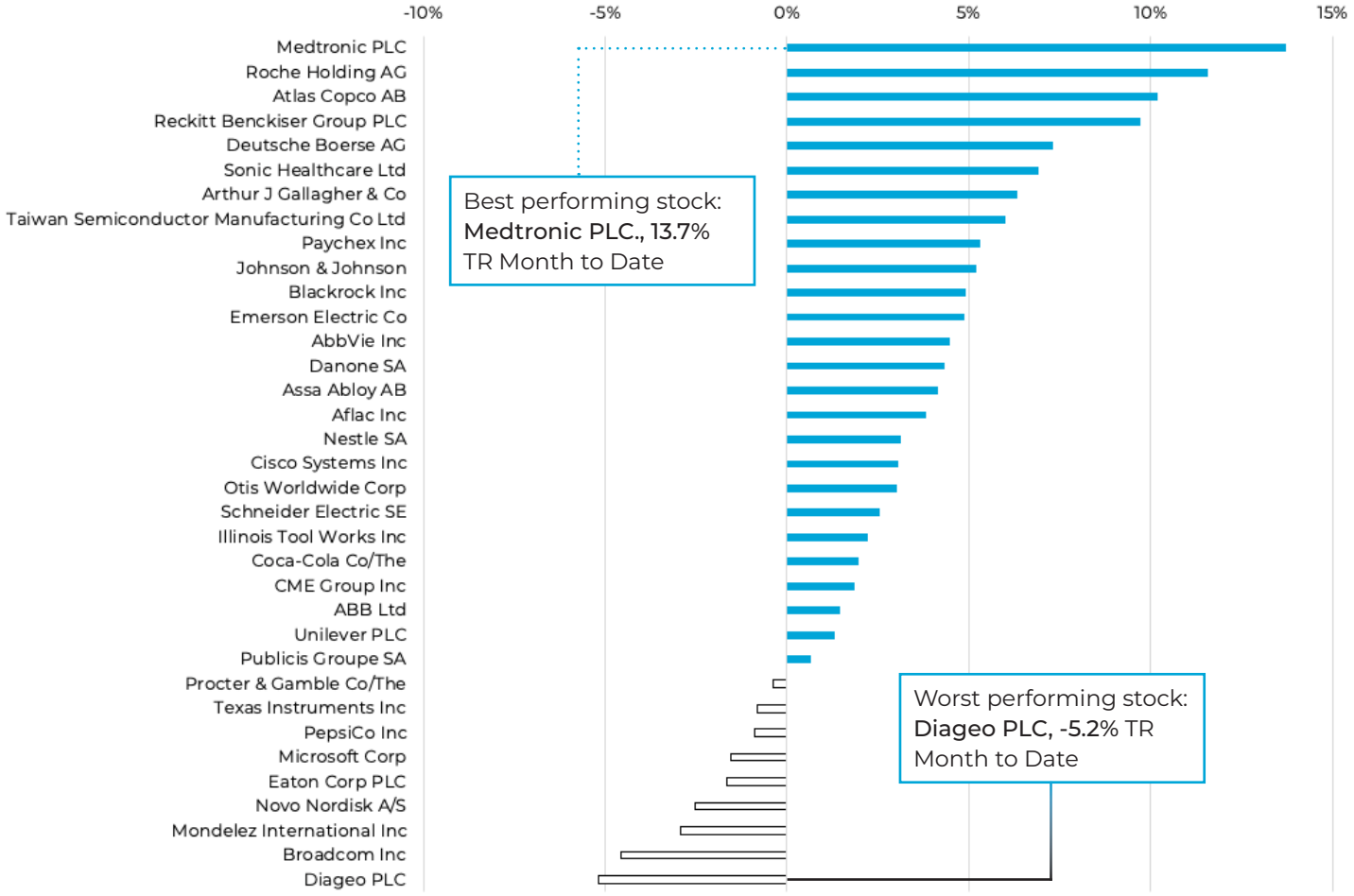
as of 01/31/2025

In January, DIVS was up 2.98% (NAV basis, 3.02% market price), while the MSCI World Index benchmark was up 3.53%. Over the month, the Fund's underperformance versus the benchmark can be attributed to the following:

- From an asset allocation perspective, the Fund's overweight to Consumer Staples acted as a headwind, as the sector underperformed the benchmark by +0.6%. Additionally, weaker performance from the Fund's Consumer Staples was also a drag as Diageo (-5.2%) and Mondelez (-2.9%) saw weaker performance, given ongoing supply chain issues and the looming threat of tariffs.
- Further, the Fund's underweight allocation to Communication Services acted as a detractor to performance as the sector was the top performer, returning +8.8% over the month.
- However, the Fund benefitted from an underweight allocation to IT as the sector saw weaker performance, largely a result of the DeepSeek announcement. The Fund also benefitted from positive stock selection as off-benchmark name TSMC outperformed the broader IT sector.

Markets had an eventful start to the year including the inauguration of President Trump, a jolt to the technology sector following the emergence of Chinese AI company DeepSeek and the looming threat of tariffs on global trade. Read on for more!

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



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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Medtronic, the global MedTech company, ended the month as the Fund's top performer (+13.7%). The stock has faced weak investor sentiment in recent years given a range of headwinds, including supply chain issues and past operational issues. However, the company has seemingly restored faith with a consistent track record of mid-single digit organic sales growth over the past eight quarters and positive updates in pipeline progress. Over the month, at the JP Morgan Annual Healthcare conference, CEO Geoff Martha appeared enthusiastic at the company's pipeline opportunities citing a positive customer response and physician demand for its PFA (Pulse Field Ablation) therapies. A key announcement was the CMS, a national health coverage provider in the US, opening national coverage analysis for renal denervation, which could expand patient access for Medtronic's products. We were encouraged by Martha's comments, which highlight a focus on improving margins and operational efficiencies, reinforcing our confidence in Medtronic's quality and growth potential.

Roche, the Swiss pharmaceutical and diagnostics firm, performed well (+11.7%) over January and posted strong quarterly earnings towards the end of the month. The company had a solid beat of 2% on fourth quarter revenues, (CHF 30.7m vs cons CHF 30.4m, representing 6% YoY growth). Furthermore, FY2024 operating profits grew 14% showing solid improvement in the firm's core operations. This was driven by strength in their pharma division, with notable strength in their flagship haemophilia drug Hemlibra, arthritis drug Actemra and allergy therapy Xolair. We also note that Roche has emerged from a tougher environment following COVID comparisons, competitive pressures and foreign exchange headwinds. However, Roche's underlying quality in its innovative and diversified portfolio & pipeline are beginning to shine through. Both existing drug sales and new launches should support Roche in achieving its 2025 top-line guidance of MSD sales growth and HSD EPS growth. Alongside this, Roche demonstrated ongoing strength in its diagnostics business, and they remain the market leader, with an exciting range of new instruments and immunoassays in the pipeline, which combine to create an encouraging outlook going forward.

Broadcom, the US semiconductor and infrastructure software & products giant, returned -4.6% over the month. The stock sold-off c.17% in one day, following the emergence of DeepSeek and its R1 model. In the AI race, Broadcom have solidified themselves as a key player, providing high performance semiconductors that support AI infrastructure, networking and data processing. DeepSeek's R1 model which offers a competitive LLM to Open AI's ChatGPT at lower cost struck fears that future generative AI infrastructure spending could decline as models become cheaper, reducing demand for Broadcom's products. However, the sell-off was arguably overdone and may reflect more general uncertainty around AI stocks rather than idiosyncratic risks for Broadcom itself. While efficiency improvements should bring down costs, investment in hardware AI infrastructure is unlikely to diminish particularly in the near term. Further, Broadcom are a leader in ASICs, application-specific integrated circuits, which are more specialized for a particular task or application compared to a GPU. The commoditization of AI models driven by lower cost could in fact create upside for ASIC demand. As focus moves from training models to inferencing, ASICs could

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Portfolio Performance

be used in tandem with GPUs, accelerating demand for Broadcom products. All in all, the stock's performance this month does not alter our thesis. Broadcom remains well-positioned to benefit from AI and broader digitalization, as a market leader in semiconductors and networking.

Diageo had a challenging month declining -5.2%. The world's leading producer of premium spirits continues to grapple with persistent headwinds. The company faces unfavorable consumer trends, including a shift towards lower alcohol consumption driven by health-conscious lifestyles and a weaker discretionary spending environment, which have fueled investor concerns about the mid-term growth outlook. Over 2024, Diageo's earnings fell short of consensus estimates, with underperformance in the vodka and rum categories more specifically. However, its premiumization strategy and laddered pricing scheme has encouraged consumers to trade-up to more premium brands, helping margins but also encouraging further brand loyalty. However, the firm's near-term outlook remains uncertain. In January, market speculation emerged of the potential sale of its Guinness brand and stake in Moët Hennessy, though they firmly denied this rumor. Additionally, the threat of tariffs under President Trump's policies poses a risk, given that nearly half of U.S. spirits are imported from Mexico and Canada. These challenges have created a tough operating environment, but we have confidence in Diageo's resilience. Its strong track record in navigating tariff increases, coupled with its leading market share across regions and product categories, reinforces its ability to navigate market volatility over the long term..

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As of 1/31/2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	2.98%	16.01%	8.71%	11.37%	10.03%	10.71%
DIVS at Market Price	3.02%	15.49%	8.51%	11.29%	9.99%	10.68%
MSCI World NR	3.53%	21.40%	9.53%	12.06%	10.52%	10.69%

As of 12/31/2024	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	13.35%	13.35%	6.01%	10.58%	9.63%	10.53%
DIVS at Market Price	12.57%	12.57%	5.91%	10.49%	9.59%	10.50%
MSCI World NR	18.67%	18.67%	6.33%	11.15%	9.94%	10.46%

Expense Ratio: 0.65% (net) | 1.09% (gross)

30-Day SEC Yield (as of 01/31/2025): 1.08% subsidized | 0.83% unsubsidized

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 0.65% through June 30, 2027.

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.

Effective as of the close of business on March 26, 2021, the fund acquired the assets and assumed the performance, financial and other historical information of the Guinness Atkinson Dividend Builder Fund, an open-end mutual fund (incepted March 30, 2012). The fund's investment objectives, strategies and policies are substantially similar to those of the predecessor mutual fund and it was managed by the same portfolio managers. Performance information for periods prior to March 26, 2021 is the historical performance of the predecessor mutual fund and reflects the higher operating expenses of the predecessor mutual fund. The fund has lower expenses than the predecessor mutual fund. For periods prior to March 29, 2021, the fund's performance would have been higher than shown had it operated with the fund's current expense levels.

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.

Subsidized yields reflect any fee waivers or reimbursements that may be in effect during a period, while unsubsidized yields do not.

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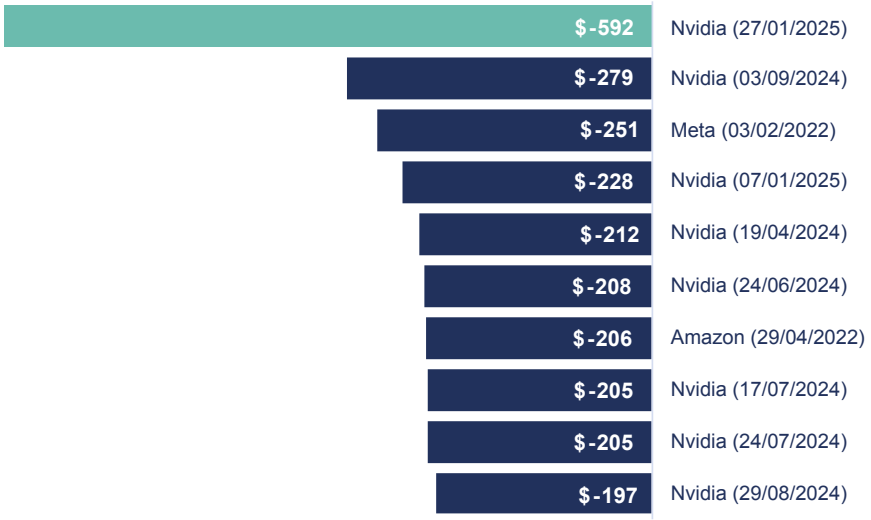
January in Review

What Actually Happened? A DeepSeek Primer

DeepSeek is an AI start-up founded in 2023 by Liang Wenfeng, employing just ~150 people and backed by "High-Flyer", a Chinese quant hedge fund. DeepSeek previously released a base Large Language Model (LLM) (called V3) in December 2024, but the big news that rocked markets in January came towards the end of the month when they published their latest "R1" reasoning model. This model took a big step forward from a technical perspective, displaying performance on par with the cutting-edge US models, but (supposedly) costing just a fraction of the amount to train. This sent shockwaves through equity markets, wiping out nearly a trillion dollars in US technology value and Nvidia losing close to $600bn in market cap, the largest single day loss in history. While equities have since recouped some of these losses, this raised more enduring questions about the future trajectory of AI and caused investors to weigh up several potential investment implications.

Biggest Single Day Market Cap Losses ($bn)



Source: Bloomberg. Data as of January 31, 2025.

Model Specifics Matter: Base vs Reasoning

DeepSeek claim their base model (V3) was trained on a mere 2,000 of Nvidia's H800 chips at a cost of just $5.6mn, an order of magnitude less than current leading US models. DeepSeek achieved this by using efficient algorithms, optimized hardware, strategic GPU allocation, and an AI training technique called Mixture of Experts that substantially improves computational efficiency. Some speculation suggests DeepSeek used more compute than they claim, possibly even export-restricted H100s, but there is no empirical evidence to prove this. Nonetheless, it's important to stress that the $5.6mn figure has been slightly misunderstood, as this simply refers to the cost of the final model training run (and doesn't include the cost of buying the compute cluster, prior research costs, staff salaries, data processing, etc). Even so, the model was still far cheaper than the existing US competitors.

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January in Review (continued)

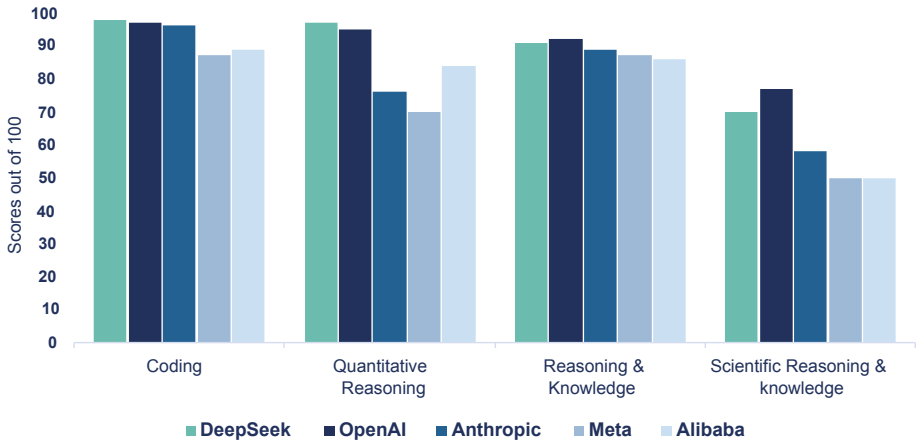
DeepSeek also released an updated R1 "reasoning model" in January — a distilled, more efficient version of their V3 base model. In this process, knowledge from the complex V3 is transferred to a smaller model that retains key functionality but lowers computational demands. While DeepSeek did not disclose R1's cost, it is also believed to be an order of magnitude cheaper than their counterpart's reasoning model (OpenAI's o1). Crucially, DeepSeek models are all open-sourced, granting developers and researchers free access to modify and use them. Currently, only Meta (Llama) and Alibaba (Qwen) offer open-source models, while most leading providers (OpenAI, Gemini, Anthropic, Perplexity AI) remain closed-source and behind a paywall.

What was the Breakthrough?

DeepSeek addressed a significant AI challenge: enabling models to reason step-by-step. Traditionally, LLMs have been trained on a very compute-intensive process called supervised learning, where models are fed immense quantities of labelled data and then match inputs to correctly labelled outputs. In contrast, DeepSeek's reasoning model was accomplished using a technique called reinforcement learning, where responses are fine-tuned by rewarding accurate outputs and penalizing mistakes. This approach mimics human reasoning by breaking tasks into intuitive, process-driven steps and giving feedback at each step of the way. In simplified terms, it's like teaching someone how to write intuitively via feedback instead of getting them to memorize every single word ever written. Although OpenAI introduced a reasoning model in September 2024, DeepSeek became only the 2nd firm to do so, matching OpenAI's performance (see chart below) at a fraction of the cost. It also surprised many that a Chinese competitor had made such a big leap forward in LLM technology, despite many believing that China was years behind the US.

Performance Compared

DeepSeek's R1 Model on par with OpenAI and Ahead of Other Peers



Source: Guinness Atkinson, Artificial Analysis. Data as of January 31, 2025.

Note: Models used OpenAI (o1), Alibaba (Qwen 2.5 72B), Meta (Llama 3.1 405B), Anthropic (Claude 3.5). Tests used are HumanEval, MATH-500, MMLU, GPQA Diamond.

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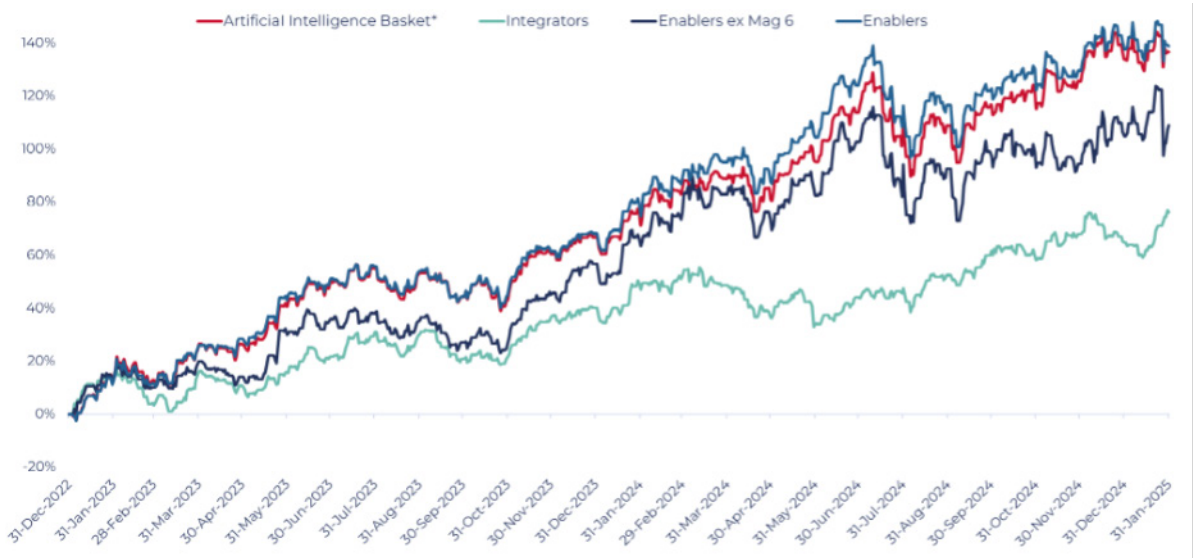
January in Review (continued)

What are the Implications? Training vs Inference?

Training is the process where an AI model learns by analyzing massive amounts of data and adjusting its internal parameters, while inferencing refers to the trained model applying that knowledge to make real-time and real-world predictions on new, unseen data. If DeepSeek has pioneered a way to create lower cost models, increased training competition from upstarts could emerge. Given huge demand for the latest chips used in cutting-edge AI training (primarily Nvidia GPUs), the waitlist can often extend many months into the future. If LLMs can now be trained using fewer GPUs and at a lower cost, this may enable a wider range of market participants to access these chips, leading to greater model creation and perhaps even the commoditization of LLMs. This is especially the case if open-source models (like DeepSeek) can provide similar performance without sitting behind a closed-source paywall. It may be the case that companies will differentiate themselves at the application-layer (what is built on top of LLMs), instead of the pure LLM technology itself.

Change in Aggregate Market Cap (%)
December 31, 2022 - January 31, 2025



Source: MSCI, Bloomberg. Data as of January 31, 2025.

Lower training costs and more efficient models might accelerate the uptake in demand for inference, a process that is already underway at present. Over the long term, it is believed that inference will play a larger role than training with regards to demand for GPUs, AI hardware, and data center compute given the broader range of inference use cases. These include asking an LLM simple questions to getting autonomous vehicles to process live data in real time. LLMs that are less power-hungry will be able to operate on a greater number of so-called “edge devices” (devices that process data near the source e.g your phone, your car, or your wearable accessory) and will aid the move to inference. As a result, we may see value creation shift away from the AI Enablers (those that provide the foundational AI infrastructure)

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January in Review (continued)

towards the AI Integrators (those that provide software, applications and services built on top of that infrastructure). The chart above shows the January performance of these two baskets and note the particularly sharp divergence after the DeepSeek announcement. While the initial market reaction suggests Integrators may emerge as a beneficiary of cheaper and more efficient models, there is clearly still a wide range of opportunity at many stages of the AI value chain.

What does this mean for Overall CAPEX Spend?

Despite the DeepSeek news, hyperscalers continue to spend heavily on AI infrastructure (at least for the time being). Microsoft are leading the charge, forecasting for $80bn of CAPEX in 2025, with Meta calling for $60-$65bn this year, and Oracle, Softbank, & OpenAI recently announcing long term investments of up to $500bn via the Stargate Project. This CAPEX is generally split between compute (e.g buying Nvidia GPUs or Broadcom ASICs) and infrastructure (the physical data centers that store, process, and distribute the data). If training and inference are becoming more efficient, then some argue that hyperscalers will reduce their overall CAPEX spend and right-size their infrastructure footprint. However, we believe it is more likely that a huge uptake in inferencing will more than offset any potential fall in training (see above). This view has been corroborated by recent earnings releases which indicate a continued commitment to large-scale CAPEX spend:

Meta CEO, Mark Zuckerberg: *"We continue to believe heavily investing in the company's AI infrastructure will be a strategic advantage... It's possible that we'll learn otherwise at some point, but I just think it's way too early to call that."*

Microsoft CEO, Satya Nadella commented on their balanced approach to building infrastructure: *"We are building a pretty fungible fleet ... and making sure that there's the right balance between training and inference."* He also noted that their CAPEX spend will be enduring: *"You don't want to buy too much of anything at one time... you want to continuously upgrade the fleet, modernize the fleet, age the fleet and, at the end of the day, have the right ratio (of CAPEX) to demand"*

And let's not forget, while DeepSeek does point to a step change in the efficiency of models, there has been an ongoing optimization cycle within the world of LLMs. Initially, firms were in a rush to get models to market with no focus on cost. However, over the past year, OpenAI has refined its models and optimized training cost (GPT4 cost less than GPT3.5 which in turn cost less than GPT3). Some estimates suggest that algorithmic progress improves fourfold each year, meaning that with each passing year, achieving the same capabilities requires only a quarter of the compute previously needed. The market was already aware of this optimization cycle and yet the hyperscalers continue to up their CAPEX (see chart below). This should give investors some solace (or concern) that large scale CAPEX is likely to remain for the foreseeable future, even if there is some rationalization of spend at the margins.

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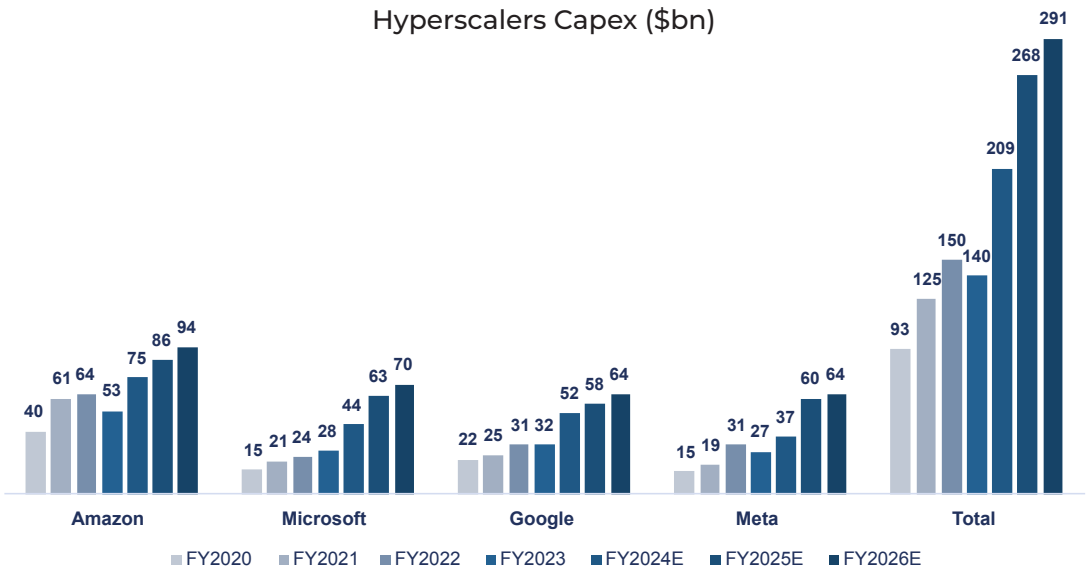
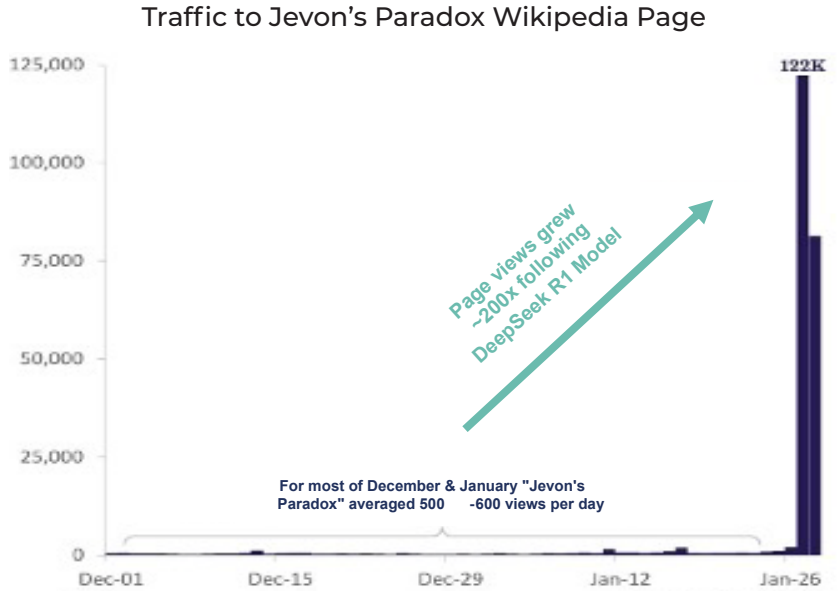
January in Review (continued)



Source: Bloomberg. Data as of January 31, 2025.
Data takes consensus estimates until the end of January 2025. Expectations have shifted at time of writing given earnings reports in early February

What does this mean for the Long-Term AI Story?

In many ways, the long-term implications of the DeepSeek model are far from certain and, given the pace of AI developments, will likely play out in ways that can't be foreseen. To that extent, the latest DeepSeek news may only serve to strengthen your existing outlook. If you previously thought that the AI theme was overhyped, the market news over January can reinforce this viewpoint. But, for more optimistic AI investors, many have turned to Jevon's Paradox to strengthen their bull case. This states that increased efficiency in resource use leads to higher overall consumption (not a reduction) because lower costs will drive more use cases and therefore greater overall demand. With regards



Source: Chartr, PageViews Analysis, SemiAnalysis.
Data as of January 31, 2025.

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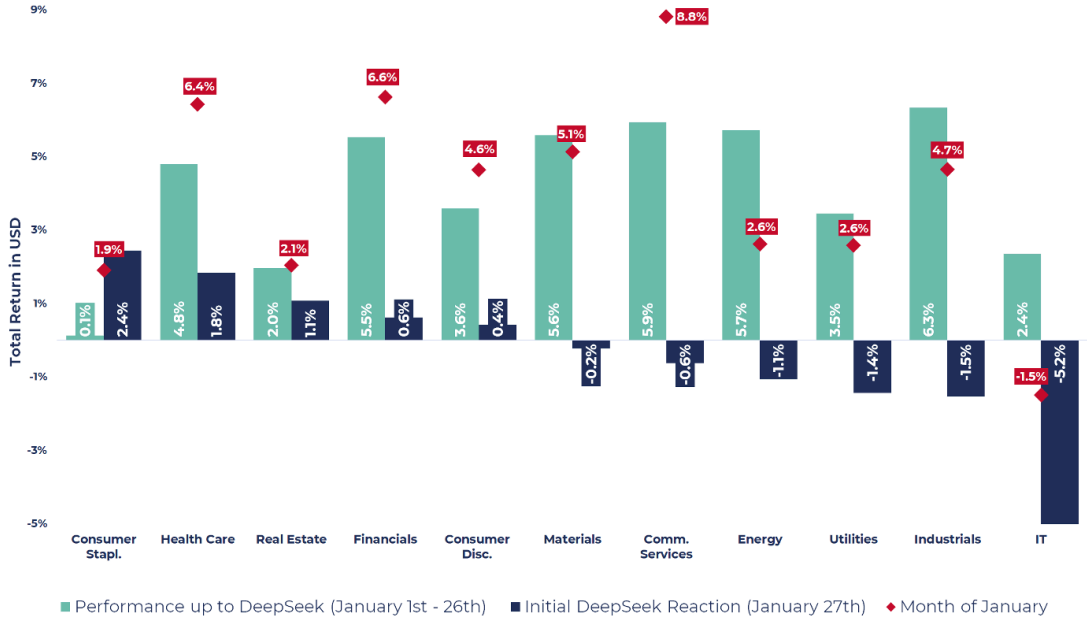
to compute, the argument here is that more efficient AI models will lead to a cheaper cost of use, and therefore more organizations can run AI (largely through inferencing), which will lead to a steeper adoption curve. Looking back 50+ years, ever since the advent of the microprocessor, there has never been a lack of demand for compute. More powerful machines (and therefore more abundant compute) have always been used to innovate and benefit the end consumer across a wide range of use cases. The chart above shows the growing popularity in Jevon's Paradox, and this may yet continue to hold true.

Market Reaction: Who were the Winners and Losers?

The chart below outlines MSCI sector performance over January on a sector-by-sector basis. The bars in green show performance from the start of the month until the DeepSeek announcement and the bar in blue shows the market reaction on the day of the R1 model release (January 24th). As shown, stocks generally performed well over the first part of the month with fairly broad-based gains and positive returns from all sectors. However, on the DeepSeek announcement, performance was much more varied.

MSCI World Sector Indices Performance (USD)



Source: Bloomberg, MSCI. Data as of January 31, 2025.

- Consumer Staples rallied on the news, largely given a clear rotation away from Growth (-2.8% on the day) to Value (+0.7% on the day). The defensive merits of the sector were clear, particularly given Staples' relatively limited exposure to the AI theme. The strong outperformance from the sector helped the Fund mitigate the broader sell-off.

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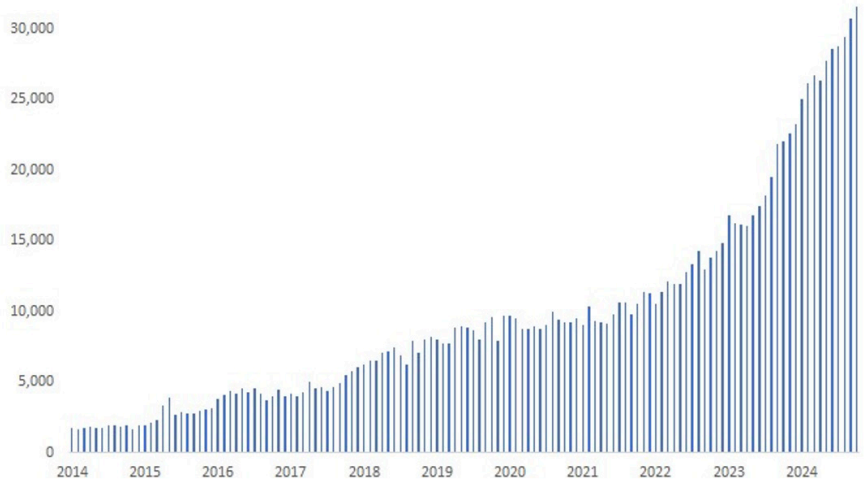
January in Review (continued)

- Healthcare was the second-best performing sector on the day and also performed well over the rest of January. As a reminder, the Fund remains overweight Healthcare (16.1% allocation vs 10.5% for the index) and this supported performance given the stylistic rotation away from Growth towards Value, particularly over the latter half of the month.
- IT, unsurprisingly, sold off the most falling -5.2% on the day and ended the month as the only sector in negative territory. However, within IT there was a very wide spread of winners and losers. Areas that fared worst included semiconductor stocks (with Nvidia falling over -17%) as well as some of the hyperscalers and other IT infrastructure names with exposure to the AI build out. However, there were also clear winners, with the so-called AI Integrators (as noted above) benefiting from a world where the cost of compute might potentially fall.
- Industrials fell -1.5% on the DeepSeek news but companies with exposure to the electrification build out fared notably worse as lofty forward growth expectations were repriced. The majority of the Fund's nine Industrial names avoided the worst of the sell off, however Eaton and Schneider Electric fell -15.6% (USD) and -9.7% (USD) respectively given their higher data center exposure. That said, both names recovered most of this performance and Schneider ended January in positive territory. While there may be some ongoing intramonth volatility we are encouraged that both firms have diversified end markets beyond any one theme and also have healthy backlogs which gives us confidence into the forward demand picture. Looking at the industry more broadly, there still remains a real need to build out energy infrastructure and avoid power bottlenecks that could hamper AI advancement. The chart below shows long-term US data center construction activity, which has grown over 20x in the past decade. Even if there are some CAPEX changes at the margins, it seems far too premature to assume a significant pullback in long-term infrastructure spend.

US Data Center Construction Activity ($mn)
2014 - 2024, using seasonally adjusted annual rate



Source: Morgan Stanley Research, Factset. Data as of January 31, 2025.

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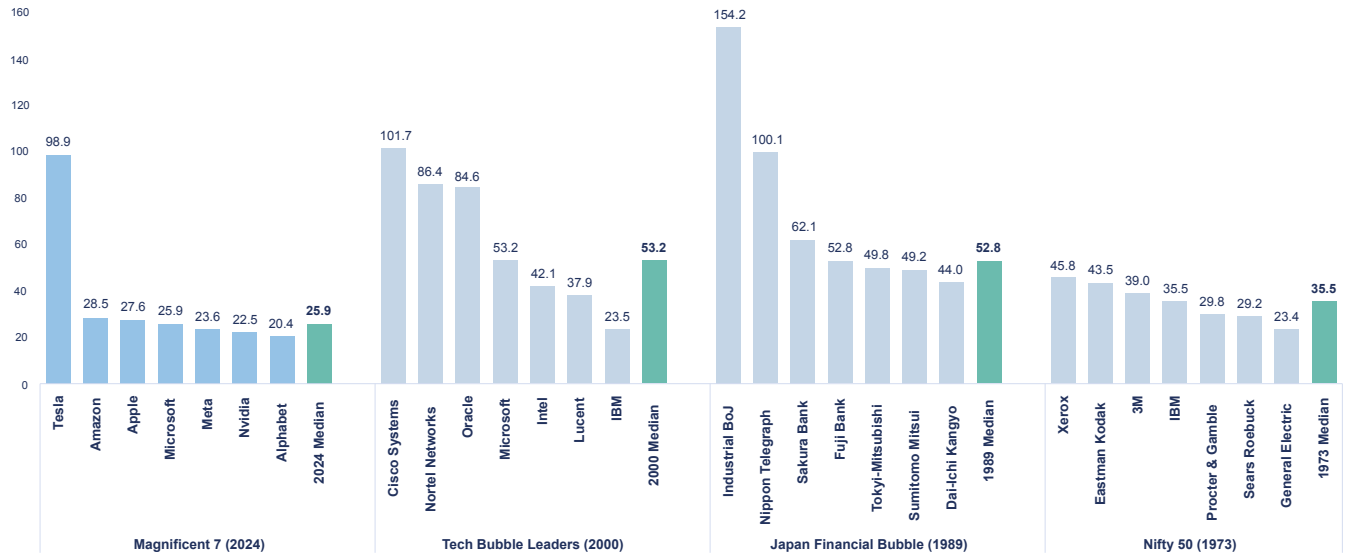
Is this the Bursting of the AI Bubble?

Some fear that the sell-off in January could lead to a further unwinding of the AI-exposed tech names, and impact Growth stocks more broadly. While there may well be a repricing of forward growth expectations, we would note that the AI-associated growth outlook remains healthy. Take for example, the much-discussed Magnificent7. We have shown the chart below in a previous monthly commentary, but the updated version demonstrates that these businesses still look reasonably priced on a 2 year forward basis given a strong earnings growth pipeline. Their current 2yr fwd median PE stands at 25.9x, far below the previous three market bubbles, giving us confidence that despite their run up, valuations are not overly excessive. Their strong recent performance has therefore been driven largely by fundamentals (revenue growth, margin expansion, free cash flow improvements) as opposed to pure multiple expansion, as was the case in previous bubble environments.

Average 24m fwd P/e during previous "Bubbles" vs Mag 7



Source: Guinness Atkinson, Goldman Sachs. Data as of January 31, 2025.

Fund AI Exposure

The graphic below displays the Fund's revenue exposure, by sector, to the wider AI theme. In some cases, an overweight exposure to AI was a headwind during the January sell-off, particularly for some IT and Industrial names. However, in many cases, the news also presents a large opportunity e.g for US chip giant Broadcom, who sell ASICs, a custom networking and broadband chip that powers data centers and cloud infrastructure. Many believe that lower compute models may allow more inferencing workloads to run on ASICs potentially boosting demand for their products. Additionally, some of the Fund's AI-exposed names fit into the AI integrators category which (as outlined above) may benefit from cheaper, open-sourced models. Some less-well-known names in the portfolio include Publicis, the French media

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& ad agency, who are leveraging AI across their digital marketing and advertising platforms to improve ad engagement and better leverage their vast proprietary data sets. This highlights the Fund's diversified exposure to the AI-theme across both sector splits and by exposure type (Enablers vs Integrators). And we would highlight these companies make up only a portion of the overall portfolio.

Holdings	Exposure	Description
Semiconductors		
Texas Instruments		Texas Instruments designs and manufactures semiconductors, including analog and embedded processors which incorporate AI into end uses, i.e.AI-enabled radar sensors.
Broadcom Inc		Broadcom provides semiconductor solutions that are critical for high-speed networking, storage, and computing, enabling data centres to handle AI workloads efficiently.
TSMC		TSMC manufactures advanced chips essential for AI acceleration and data centre hardware. Their cutting-edge semiconductor technology supports high-performance computing needs.
Datacentre Infrastructure		
Emerson Electric		Emerson provides environmental monitoring and power solutions to support the infrastructure needed for high-density AI workloads in data centres.
ABB Ltd		ABB supports AI data centres through its automation and energy management systems, ensuring reliable operation and optimized resource use.
Eaton Corp		Eaton provides power management and uninterruptible power supply (UPS) systems designed to ensure energy efficiency and reliability in AI-intensive data centre environments.
Schneider Electric		Schneider Electric delivers electrical infrastructure solutions, including power distribution and cooling systems, tailored to enhance AI data centre performance.
Networking		
Cisco Systems		Cisco offers networking hardware, software, and solutions designed for high-speed data transfer and low-latency performance in AI-enabled data centres and cloud environments.
Hyperscaler		
Microsoft		Microsoft operates hyperscale data centres that power its Azure cloud platform, a cornerstone for hosting AI workloads and providing scalable computing for machine learning models.
Application		
Publicis		Publicis leverages AI in its advertising and marketing platforms, relying on hyperscale data centres for analytics and targeted campaign execution.

Low exposure to High exposure

Source: Guinness Atkinson. Data as of January 31, 2025.

As a final note, it is worth reiterating that the Fund runs an equal weighted strategy – whereby we balance "letting our winners run" against the prospect of higher stock specific risk within the portfolio. In practice, this means that we trim stocks that have relatively outperformed and top up positions that have underperformed. We do not do this mechanically on a set timetable but instead seek to use this principle as a "guiderail" to prompt discussions, improve decision making, and reduce behavioral biases. This process led us to take profits during the strong run up in many of the IT and Industrial names over the past few years. While names like TSMC, Broadcom, and Eaton saw large negative moves following the DeepSeek news, given our ongoing rebalancing, we have roughly the same exposure to these stocks as we did a year ago and helped insulate the Fund from the more pronounced volatility we have seen in markets more recently.

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Important Information

Basis Points (bps) are a unit of measurement used to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

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.

S&P 500 Index is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S.

MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

MSCI World Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across 23 Developed Markets countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

Consumer Price Index is a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending.

Indexes are unmanaged. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

Price to Earnings Ratio is a stock valuation metric that compares a company's share price to its earnings per share.

Earnings Per Share (EPS) 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.

Compound Annual Growth Rate (CAGR) is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span.

Personal Consumption Expenditures (PCE) Index is a measure of the prices that US consumers pay for goods and services.

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.

The Fund invests in securities that pay dividends, and there is no guarantee that the securities held by the Fund will declare or pay dividends in the future, or that dividends will remain at current levels or increase.

Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries.

Investing in securities involves risk and there is no guarantee of principal.

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