DIVS

The SmartETFs Dividend Builder ETF

April 2025 Update

Portfolio Performance

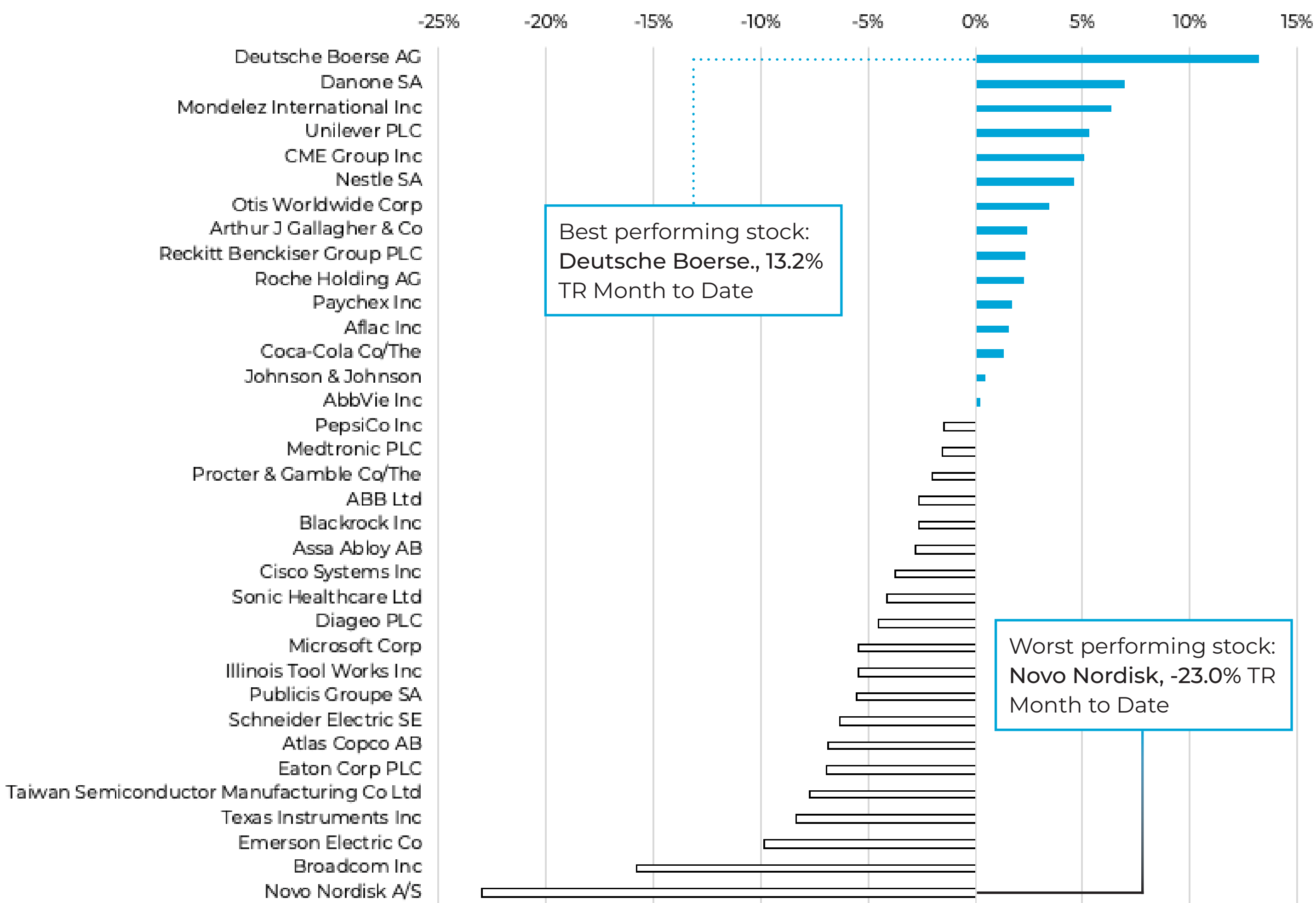
as of 03/31/2025

In March, DIVS was down -1.78% (NAV basis, -1.81% market price), while the MSCI World Index benchmark was down –4.45%. The first quarter of 2025 was a difficult start to the year for global equities. Over the first quarter, the Fund outperformed the MSCI World Index, which can be attributed to:

- The Fund's three largest sector overweight's (Consumer Staples, Industrials, and Healthcare) as all sectors posted positive gains, despite the index declining.
- An underweight allocation to Information Technology and a zero weighting to Consumer Discretionary as these were the two worst performing sectors over Q1.
- This was somewhat offset by the zero allocation to Energy, Utilities, Real Estate, and Materials, as all four defensive sectors outperformed over the quarter.
- Strong stock selection within Financials (Deutsche Boerse, Arthur Gallagher), Healthcare (Roche, AbbVie) and Consumer Staples (Nestle, Coca Cola) was also a source of outperformance for the Fund.

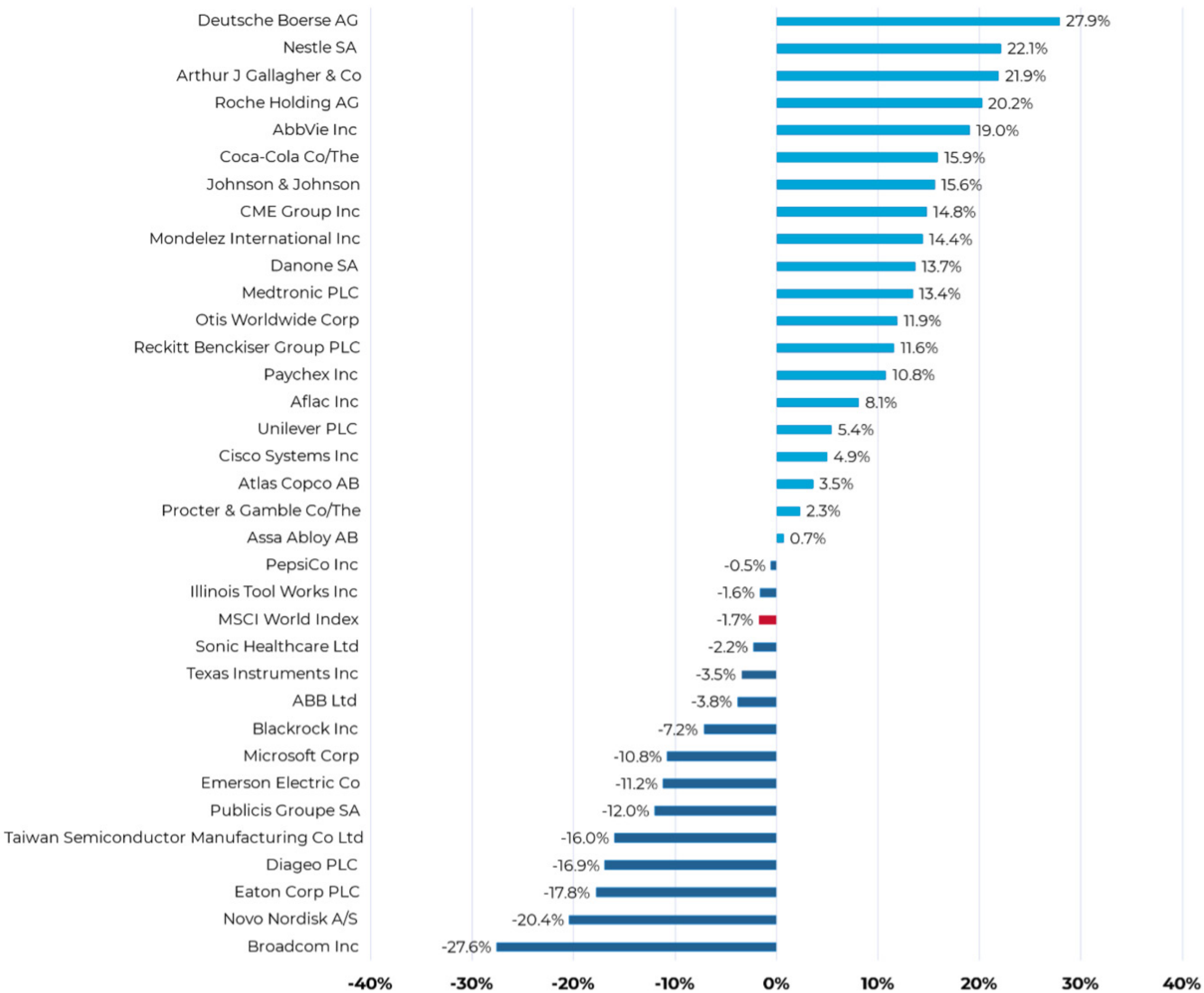
At a high level, it is worth noting that the Fund performed well in the drawdowns over February and March, as the market generally rewarded more defensive and higher quality companies over these periods. Read on for more!

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.

Portfolio Performance over Q1 2025



Deutsche Boerse was the Fund's top contributor, rising +27.9%. The German exchange operator has been benefiting from a broad increase in trading activity as investors repositioned portfolios in response to evolving macro conditions. February results confirmed the positive momentum, and it was particularly reassuring to see management reaffirm its medium-term guidance: an 8% revenue compound annual growth rate (CAGR) through 2026, in line with 2024 delivery. Full-year 2024 revenue came in at €5.8 billion (approx.$6.55 billion USD), exceeding initial guidance by 3.5%, with a notable contribution from treasury operations - higher-than-expected interest income and elevated client cash balances provided a tailwind. More importantly, the firm is executing well on its long-term strategy. It continues to leverage its access

continued on following page...

Portfolio Performance

to high-quality financial and ESG data to scale differentiated solutions through its SimCorp and Axioma platforms. These businesses outperformed expectations, driving a 17% year-on-year increase in Software Solutions annual recurring revenue (ARR) in Q4, reaching the upper end of the guided range. Looking ahead, we remain constructive on the company's prospects. The integration of SimCorp and Axioma further strengthens Deutsche Börse's investment platform, positioning it as a comprehensive, front-to-back provider for institutional asset managers. Combined with secular trends — including the growth of passive investing, increased demand for ESG and climate analytics, and structural shifts in derivatives clearing — the company is well-placed to deliver sustained earnings growth. Its scalable infrastructure, strong competitive position, and disciplined capital allocation provide additional levers for long-term growth.

Nestle also performed well (+22.1%) which is encouraging to see given some recent struggles for the food and beverage giant. After a period of muted investor sentiment, marked by concerns around execution and cost pressures, sentiment has started to improve as the company reasserted its positioning as a global leader in consumer staples. Nestle's broad portfolio, spanning essential food, beverage, and nutrition categories, provides a solid platform for resilient, defensive growth – especially valuable in a volatile macro environment. While the near-term margin pressures remain a focus, the bigger story is Nestle's ongoing transformation. The company continues to streamline its portfolio, invest in premium and health-oriented categories, and sharpen its focus on operational efficiency. As cost inflation gradually normalizes, Nestle is well placed to benefit from underlying demand stability, strong brand equity, and pricing power across developed and emerging markets. The recent share price rebound reflects renewed investor confidence in management's ability to execute on this multi-year strategy and sustain long-term value creation.

Broadcom was the Fund's worst performer over Q1, falling -27.6%. The semiconductor company was the Fund's best performing stock over 2023 and 2024, having benefited significantly from AI-driven enthusiasm and strong earnings momentum. The sharp pullback this quarter reflects a broader shift in investor sentiment away from semiconductors and large-cap technology, particularly following concerns over trade policy volatility and rising macro uncertainty. While the company posted solid Q1 results in March — beating management guidance — the stock has struggled as markets reassess near-term AI growth expectations and digest the implications of heightened tariff risk. Despite this correction, we remain constructive on Broadcom's long-term outlook. The company reported a 25% year-on-year revenue increase in Q1, with AI chip revenue rising 15% sequentially — now accounting for over one-quarter of total revenue and approximately half of semiconductor revenue. Management guided for continued AI momentum, with 7% sequential growth expected in Q2, and announced two additional custom accelerator customers, bringing the total to seven. Broadcom reiterated its serviceable AI market opportunity of $60–90 billion by 2027 across its top three hyperscaler clients, with an expected 70% market share — reinforcing its positioning as a core infrastructure provider in the AI supply chain. Alongside its high-performance networking capabilities and the successful integration of VMware, Broadcom is evolving into a diversified platform business with strong recurring revenue streams. While non-AI chip markets remain cyclically soft, they now represent a smaller portion of overall results, and the AI and software franchises continue to drive

continued on following page...

Portfolio Performance

both growth and visibility. We view the recent share price weakness as a reset in sentiment, rather than a deterioration in fundamentals, and maintain high conviction in Broadcom's competitive advantages, capital discipline, and capacity to deliver durable long-term value.

Novo Nordisk also had a difficult quarter (-20.4%). The Danish-based pharmaceutical maker of GLP-1 drugs saw its share price decline during the first quarter after weak share price action during the second half of 2024 despite better-than-expected Q1 results. The pullback followed a broader reset in GLP-1 sentiment after softer-than-expected preliminary sales data from Eli Lilly in January triggered concerns about near-term category growth. While that weighed on peers, Novo Nordisk delivered a strong set of results, reinforcing its leadership in the space. Full-year revenues grew 25%, underpinned by sustained demand across obesity and diabetes care. Margins remained healthy, with a full-year profit margin of 35%, comfortably ahead of expectations, and the company raised its dividend by 21% — marking 29 consecutive years of annual dividend increases. Importantly, Novo continues to invest behind its success. Capital expenditures reached 16% of sales in 2024 as the company scales aggressively to meet demand, having doubled capacity over the past three years and targeting a further 30% expansion into 2025. These investments, alongside strong execution in rare diseases and diabetes care, are deepening Novo's competitive moat. While Q1 sentiment was driven by broader sector rotation and competitive noise, we note the firm's historic ability to compound value through innovation and disciplined reinvestment but continue to monitor closely the company's competitive positioning.

DIVS

The SmartETFs Dividend Builder ETF

April 2025 Update

SmartETFs by Guinness Atkinson

Portfolio Performance

As of 3/31/2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	2.63%	9.83%	8.26%	15.81%	9.91%	10.54%
DIVS at Market Price	3.10%	9.63%	8.16%	15.82%	9.91%	10.55%
MSCI World NR	-1.79%	7.04%	7.57%	16.12%	9.49%	10.10%

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

30-Day SEC Yield (as of 03/31/2025): 1.12% 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.

DIVS

The SmartETFs Dividend Builder ETF

April 2025 Update

Dividends Review

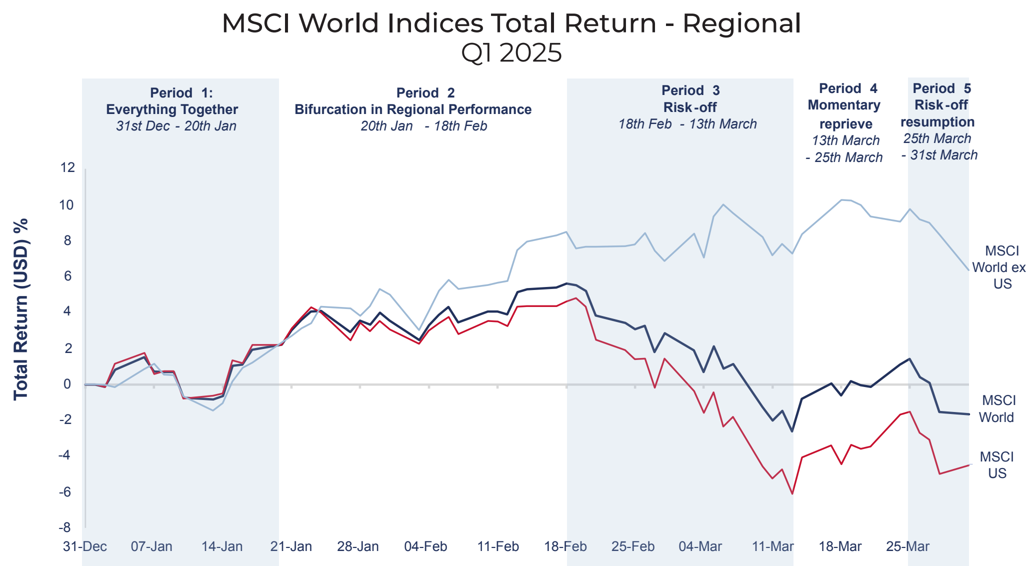
So far, in 2025, we have had dividend updates from 20 of our 35 holdings.

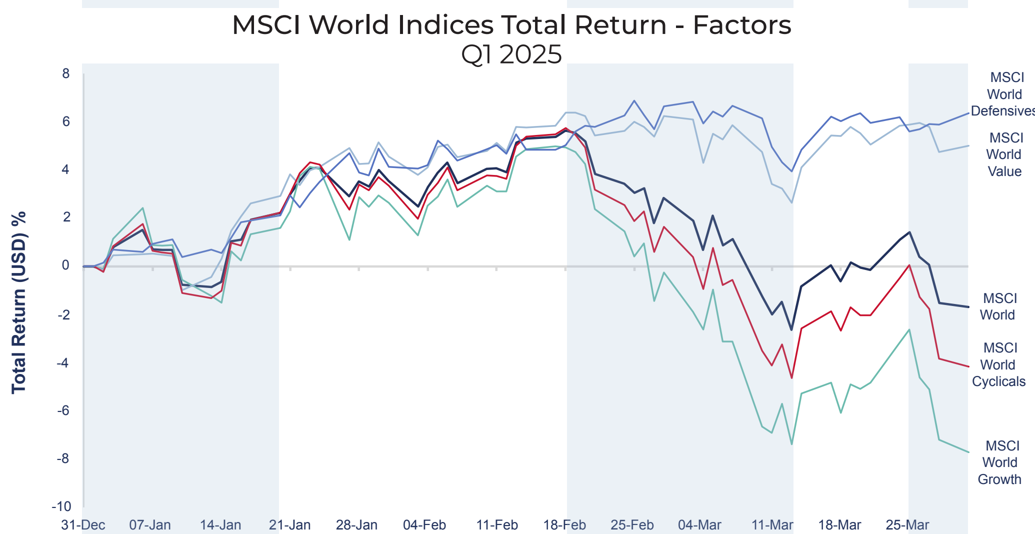
- 19 companies announced increases for their 2025 dividend vs 2024. The average dividend growth these companies was 6.4%.
- 1 company announced a flat dividend vs 2024.
- 0 companies announced a dividend cut.
- 0 companies announced dividend cancellations.

2025, so far...

Period 1: Everything Together (December 31st – January 20th) - *In-line performance across factors and regions.*

It was a shaky start to the year as global equity markets scaled back expectations of US rate cuts for 2025, following strong jobs data and a better-than-expected manufacturing print. US inflation data in mid-January showed signs of a softening, causing rate cut expectations to climb once more, and a positive corporate earnings season in the banking sector drove a short period of strong equity performance.





Source: MSCI, Bloomberg, SmartETFs. Data as of March 31, 2025.

continued on following page...

SmartETFs
by Guinness Atkinson

2025, so far... (continued)

DIVS performance: The Fund underperformed, driven by a negative allocation effect. The Fund's largest overweight was to the only negatively performing sector (Consumer Staples), which acted as a relative headwind. A positive stock selection effect in IT (TSMC) offset weakness in Financials (Blackrock).

Period 2: Bifurcation in Regional Performance (January 20th – February 18th) - *Relatively in-line performance across factors, but the US moved sideways, and the Rest of the World trended upwards.*

Trump was inaugurated on January 20th, and volatility in equity markets followed. US stocks outperformed in the following days, as markets grappled with a blitz of Executive orders, surprise threats of tariffs, and corporate earnings for a number of blue-chip companies. However, US outperformance was short-lived, as the MSCI USA moved sideways for the rest of the period. Markets instead showed a preference for the value on offer in Europe, given the lack of immediate US tariffs on the region (Europe was expected to be a primary target of Trump's "America First trade policies"), the rising prospect of peace talks in Ukraine, and improving economic growth expectations. European Defense stocks performed particularly strongly, on the prospect of increased European military expenditure following pressure from the US on NATO. Volatility in big-tech stocks at the end of January was driven by the release of "DeepSeek" – a Chinese large language model (LLM) supposedly developed at the fraction of the cost of leading Western models but with comparable performance – as markets weighed the likely implications on big Tech's capex plans. Hong Kong's Hang Seng outperformed all else over the period, fueled by this AI optimism.

DIVS performance: While the Fund benefitted from a positive allocation effect from the overweight to Staples – the benchmark's second-best performing sector in the period – this was more than offset by a negative stock selection impact across Staples (Diageo), IT (Broadcom and TSMC) and Industrials (Eaton).

Period 3: Risk Off (February 18th – March 13th) - *The US begins to fall as risk-off sentiment dominates. Defensives outperform cyclicals, value outperforms growth, Rest of the World outperforms US, and the Mag 7 sells-off.*

The MSCI World fell 7.8% between the market peak (Feb-18th) and trough (Mar-13th). The bifurcation in performance between US and non-US stock performance increased further, as the US faced overwhelmingly weak economic prints across multiple data points - Service PMIs moved to contractionary territory, manufacturing new orders fell steeply, housing data was weak and there was a decline in consumer sentiment. With core inflation coming in hotter than expected, concerns over stagflation were amplified by increasing uncertainty over US trade policy. Trump's comments that a US recession was not "off the table" did little for market confidence. Even as traders priced in more rate cuts for 2025, this was not enough to stem the slide. Investors flocked to more defensive areas of the market, growth stocks sold off, and there was particularly weak performance from the Magnificent Seven. European outperformance persisted, driven by relaxed debt rules for defense spending and supported by the region's value bias

continued on following page...

2025, so far... (continued)

and defensive stance. The Hang Seng performed positively throughout, as China signaled strong stimulus and reform.

DIVS performance: The vast majority of the Fund's outperformance during the quarter came during this period, driven by exposure to defensive sectors. The Fund benefitted from very strong allocation and stock selection effects, almost in equal measure. The Fund's largest overweight position to the benchmark's best performing sector, Consumer Staples, offered the strongest tailwind with Nestle, Danone, Mondelez and Unilever driving strong stock selection effects. The Fund also benefitted from a positive stock selection effect within Financials (our exchange businesses, Deutsche Boerse and CME, outperformed), and an underweight to IT and Consumer Discretionary also provided a tailwind.

Period 4: Momentary Reprieve (March 13th – March 25th) - *A short rebound as trends momentarily reverse.*

There was a brief recovery across factors and regions, and a small reversal in market leadership, as the US outperformed the MSCI World ex US and Cyclicals outperformed Defensives. Growth and value performed relatively in-line. The reversal began after the threat of a US government shutdown. The Federal Reserve kept rates unchanged, and while it raised inflation forecasts and trimmed 2025 growth projections, markets took comfort in Chair Powell's steady tone on the anticipated path of rate cuts. Accordingly, rate cut expectations did not shift materially (2-3 cuts in 2025). Better than expected economic data was a further source of positive sentiment.

DIVS performance: Fund underperformance during the period was driven by both negative stock selection effects and a negative asset allocation impact. As trends reversed from the previous period, the Fund's overweight to Consumer Staples, and zero allocation to Consumer Discretionary, provided relative headwinds to performance. Weakness in some of our Industrials (Assa Abloy, Atlas Copco) and Health Care (AbbVie, Medtronic) positions acted as a further headwind to the Fund.

Period 5: Risk-off Resumption? (March 25th – March 31st) - *All regions fall as tariff fears are reignited, and defensives significantly outperform.*

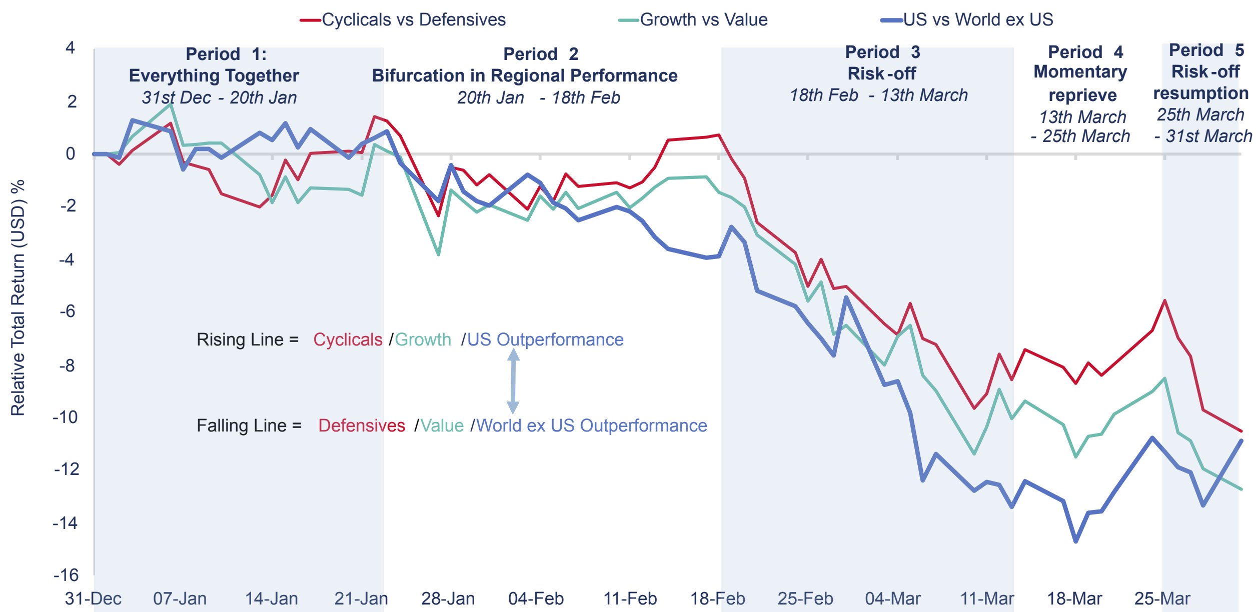
The rebound ended swiftly, and defensives significantly outperformed cyclicals after a perceived escalation in the trade war. Trump announced new tariffs on global autos, US trading partners warned of possible retaliation, and Trump threatened "far larger tariffs" on the EU if they collaborated with Canada. Fresh uncertainty over the extent of Trump's upcoming "Liberation Day" weighed heavily on markets. The Conference Board saw measures of expectations in the next six months falling to a 12-year low, while consumer confidence and inflation expectations also moved against expectations. The market-cap weighted Magnificent Seven index (by UBS) entered correction territory, falling more than 20% since December 27th.

continued on following page...

2025, so far... (continued)

DIVS performance: Fund outperformance resumed with the rotation back towards Defensive orientated sectors. The Fund's largest overweight sector position to Consumer Staples and the underweight to Information Technology, the benchmark's best and worst performing sectors, acted as a tailwind. Positive stock selection effects also provided a tailwind within Financials (Arthur J Gallagher and Deutsche Boerse), Health Care (AbbVie) and IT (Cisco).

MSCI World Indices Total Return - Relative Performance



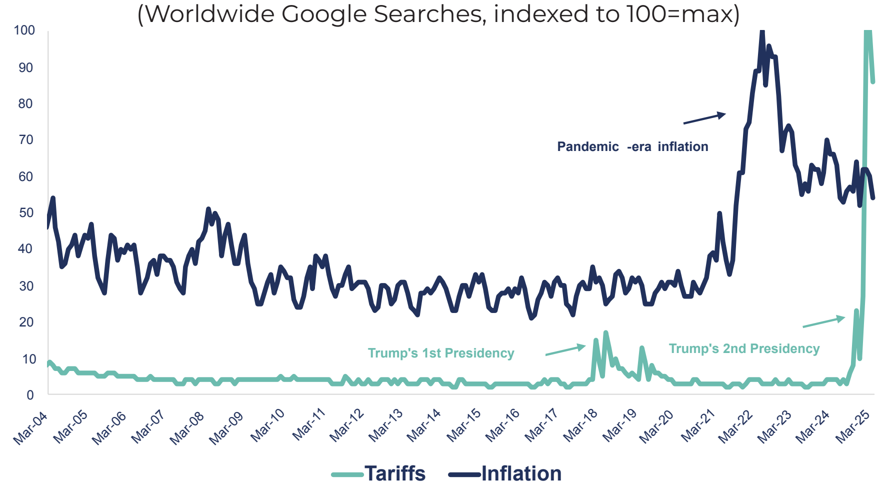
Source: MSCI, Bloomberg, SmartETFs. Data as of March 31, 2025.

Tariff Talk

The big talking point for global equity markets in Q1 2025 was, of course, tariffs. While it is not a huge surprise that the current US administration are enacting tariffs (Trump made multiple references to this during the presidential campaign), the market was however spooked by both the breadth (including levies on cars, auto parts, steel, aluminum, alcoholic beverages etc.) as well as the unpredictability of America's broader trade policy, which seems to be changing

Interest in Tariffs has Soared

More people are searching "Tariffs" than they were for "Inflation" In 2022 (Worldwide Google Searches, indexed to 100=max)



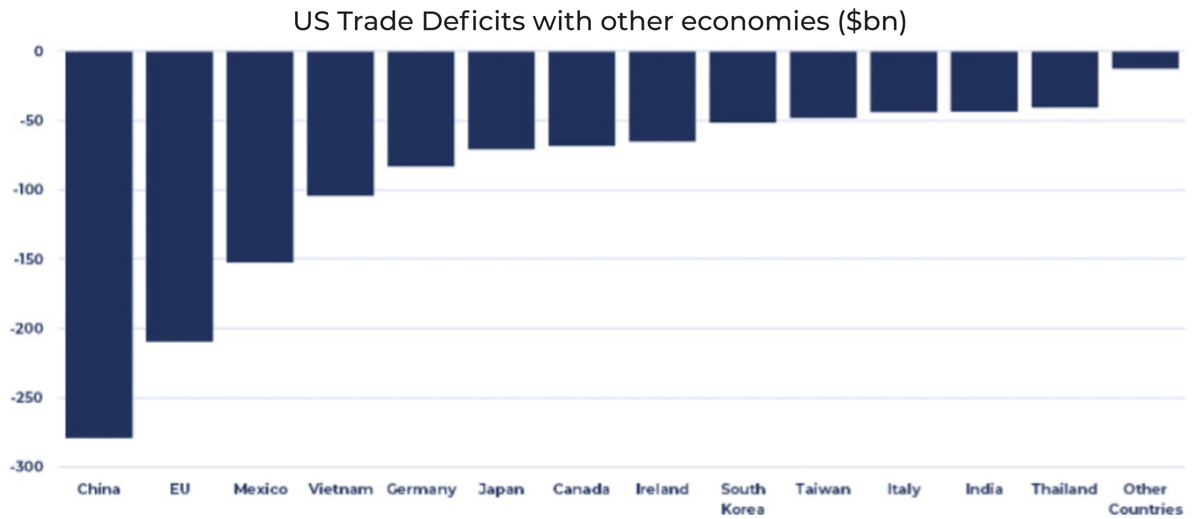
Source: Google Trends. Data as of March 31, 2025.

continued on following page...

2025, so far... (continued)

in real time. The unpredictability has made it hard for businesses to prepare accordingly and even harder for investors to understand the long-term implications of the trade disruptions.

Who is Being Targeted?

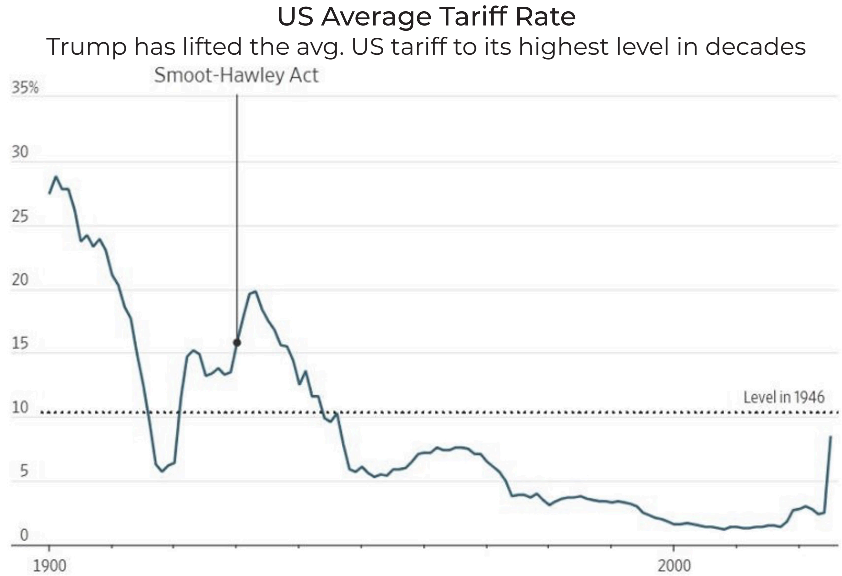


Source: IMF Direction of Trade Statistics. Data as of March 31, 2025.

The chart above displays the US trade deficit on a country-by-country basis: perhaps unsurprisingly, the countries with which the US runs the most significant trade deficits (namely China, the EU, Mexico, and to a lesser extent Canada) were among the first countries to be targeted with tariffs over Q1 2025. While Trump has since expanded these tariffs, these imbalances are frequently cited as evidence of unfair trade practices employed by partner nations, which explains why they remain in his crosshairs. However, trade deficits are only one lens through which these relationships are being judged, as the administration has also pointed to concerns over currency manipulation, state subsidies, and intellectual property theft as reasons for tariff escalation. While some countries have been granted exemptions (under USMCA), others have been less fortunate and are preparing retaliatory measures of their own. As tensions rise, it is worth looking at the broader tariff picture across the US, using the average tariff rate on all US trading partners.

continued on following page...

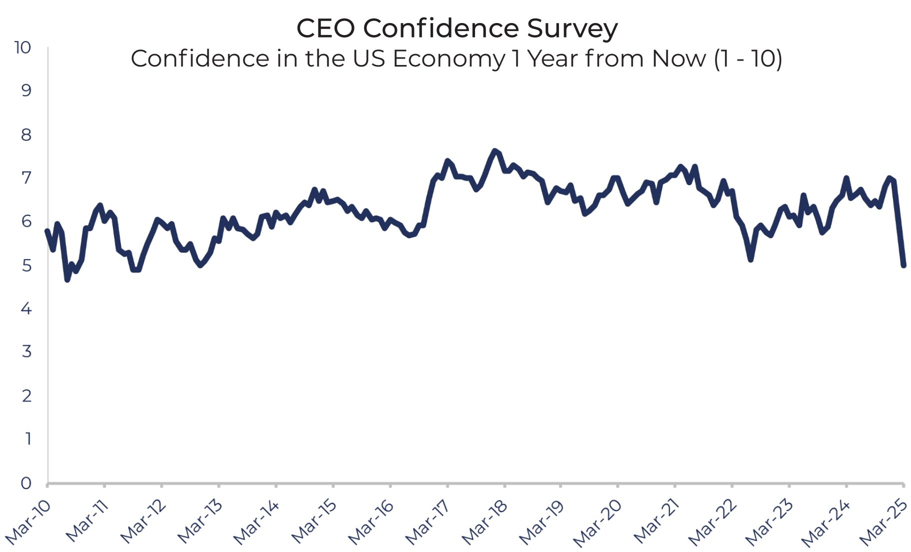
2025, so far... (continued)



Source: Berenberg. Data as of March 31, 2025.

The chart to the right shows a clear change in direction of US trade policy over the previous century. The 1930 Smoot-Hawley Act saw tariffs on imported goods rise significantly, aiming to protect domestic industries and farmers, but ultimately worsened the Great Depression and triggered retaliatory tariffs, harming global trade. What followed was a prolonged period of free & fair trade from a US perspective, until tariffs started to tick up initially under Trump's first term (albeit remaining at a relatively low ~3%). They have since raised further during his second term to ~8% as of quarter end. As noted above, Liberation Day (April 2nd) saw sweeping tariffs announced that has brought this rate closer to 20%, the highest rate in almost a century. While this situation is evolving in real time, the path forward for global trade remains decidedly unclear as tariff escalations seem likely unless there is a substantial about turn in US trade policy. This will continue to remain front of mind as the reaction and fallout from "Liberation Day" unfolds.

More Uncertainty Ahead



Source: Berenberg. Data as of March 31, 2025.

The chart on the left depicts CEO confidence in the US economy. As part of the monthly survey into domestic US conditions, respondents rate their expectations of overall business conditions 1 year from now (10 = Excellent 8 = Very Good 6 = Good 4 = Weak 2 = Poor). As of March 2025, the score of 4.9 (down by 1.94 MoM) suggests CEOs are suddenly far more pessimistic about the trajectory of the US economy. Even though Trump has long voiced his intention to implement such tariffs, many assumed it was merely a

continued on following page...

SmartETFs by Guinness Atkinson

2025, so far... (continued)

negotiating tactic to secure better terms with trade partners. The sharp decline over March shows that business leaders are growing wary of the volatile trade policies and the tangible impacts that tariffs are likely to have on their supply chains and cost of goods, as well as the potential for higher inflationary reads and stalling US growth.

Where does this leave the Fund: *DIVS in Focus*

Sector	Overarching Comments
Consumer Staples	• Staples exhibit strong pricing power & are able to pass through incremental costs quickly, helping to preserve margins in the face of rising input costs. • Localized supply chains, with goods sold in the U.S. often produced using US-based supply chains. Some Canadian + Mexican operations but USMCA exempt.
Industrials	• Industrials operate in key industries and supply mission-critical components (e.g. Eaton, Schneider, Atlas Copco) giving them strong pricing power. • Healthy backlogs and elevated order books provide forward visibility. Industrials can often reprice orders in response to higher input costs. • Some have significant servicing businesses (e.g. Otis) which are largely shielded from tariffs and helps to cushion any cyclical softness in equipment sales.
Financials	• Financials are largely isolated from Tariff risks. However, as a second order effect, the exchanges (CME and Deutsche Boerse) benefitted from the increased volatility as market participants hedged risk at a higher rate, creating a tailwind for their businesses.
IT	• Low tariff risk for pure-play IT and software, given asset-light, service-based models. • Semiconductor names (Broadcom, Texas Instruments, TSMC) are more exposed to tariffs given their globalized manufacturing base. However, they are deeply embedded in mission-critical applications, retain strong pricing power, and have so far avoided the worst of the impacts given their strategic importance.
Healthcare & Communication Services	• Pharmaceuticals and medical products have historically been excluded from tariffs and trade restrictions, given their critical role in public health. Further, imposing tariffs on imported drugs would likely raise costs for U.S. consumers and healthcare systems, creating a strong disincentive for policymakers. • Communication Services are generally less impacted given they are predominantly digital, platform-based, or content-driven businesses.

Source: SmartETFs. Data as of March 31, 2025.

Looking across DIVS, we believe that the majority of our companies are well protected from the worst impacts of these tariffs. While it is inevitably difficult to avoid the disruptions to global supply chains and there may well be several second order effects (slower growth, higher inflation, etc.), the characteristics of the companies that the Fund invests in help to offer some protection in uncertain environments. This includes a focus on large cap companies (who have scale and broad-based manufacturing footprints which can help navigate idiosyncratic regional risks), they are generally less exposed to volatile commodity prices, they are high margin (giving them the ability to absorb unforeseen costs) and often have strong moats which affords them pricing power to offset additional tariff-related costs. These are some of the "high quality" tenets of the Fund's holdings and shows why, in times of heightened uncertainty,

continued on following page...

DIVS

The SmartETFs Dividend Builder ETF

April 2025 Update

SmartETFs by Guinness Atkinson

2025, so far... (continued)

such companies tend to be more resilient. On the flipside, when looking at the areas that have been most impacted by tariffs, Autos & Components stands out (falling -24.0% in USD over Q1). We don't own any names in this industry, and that is by design instead of by chance. These are generally "lower quality" companies that have smaller margins, more complex supply chains, are exposed to commodity prices, and can often be caught up in trade wars given their domestic and geopolitical importance.

What Senior Management Are Saying...

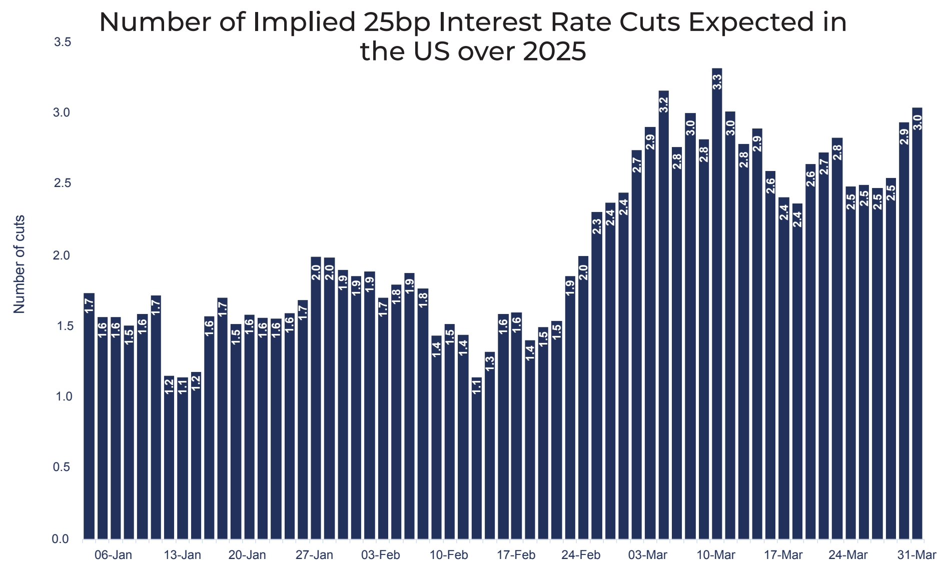
Procter & Gamble CFO, Andre Schulten: "Whatever the administration decides to do... we will be able to deal with,". P&G will first try to offset possible tariffs by cutting costs "and what we can't offset with productivity, it might result in incremental pricing."

Schneider Electric CFO, Hilary Maxson: "Production and the supply base, as much as we can, is in the local markets that we serve regionally...so we feel pretty good about where we are in terms of that balance. We're mostly regionalized already."

TSMC Management stated that any additional tariffs would likely be passed on to customers rather than absorbed by the company, potentially increasing chip prices. Additionally, TSMC's commitment to invest $100bn in the US is likely to be well-received by the Trump administration, potentially shielding the company from future tariff risks or political scrutiny.

Second Order Effects: More Inflation, Less Growth?

As noted, the uncertainty with tariffs has sparked concerns over the implications for inflation and growth. At its most recent meeting on March 19th, the Federal Reserve acknowledged that inflationary pressures remain tilted to the upside, while risks to economic growth are skewed to the downside. Reflecting this cautious outlook, the Fed lowered its 2025 GDP growth forecast from 2.1% to 1.7% and simultaneously raised its inflation projection for 2025 from 2.5% to 2.7%. Further implications were felt on con-



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

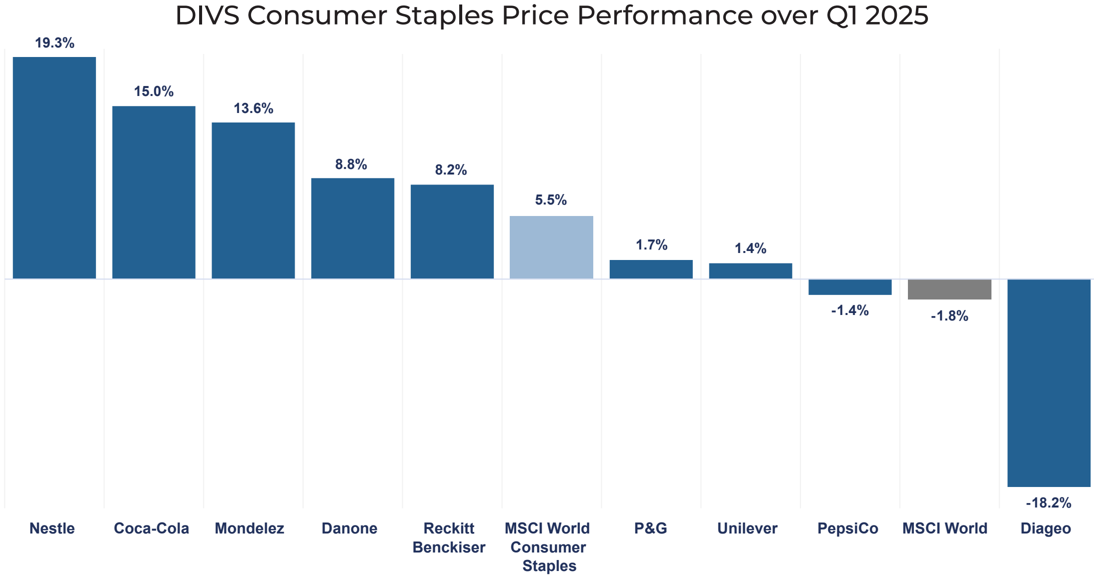
continued on following page...

2025, so far... (continued)

sumer sentiment, as evidenced by the Conference Board US Consumer Confidence Index, which fell to a four-year low of 93 in March, the lowest point since July 2022 and far from the 110 reading when Trump was re-elected in November. So far, the softness in economic data has been largely confined to sentiment-based indicators, such as surveys, while hard economic data—quantitative indicators derived from actual economic activity—continue to point to a broadly resilient U.S. economy. This is evidenced by the labor market (which remains relatively tight) and by the modest increase in February retail sales (+0.2% month-over-month) after a downwardly revised figure in January (-1.2%), suggesting a mild recovery. Despite this somewhat conflicting evidence, the market appears to have chosen the soft data narrative (given its forward-looking bias). This helps to explain why rate cut expectations for 2025 have shot up and now stand at three US interest rate cuts for 2025, up from less than 2 at the beginning of the year, implying the need for lower interest rates to stimulate a faltering economy.

The Fund's relative outperformance in the recent pullback was supported in part by its overweight exposure to Consumer Staples which has historically demonstrated resilience during periods of heightened volatility. This defensive quality was also evident in 2022, when the sector outperformed the MSCI World Index by 12.7% in USD, as many companies successfully passed through cost inflation to consumers with speed and efficiency. The Fund's emphasis on high-quality, high-margin staples with strong brand equity and pricing power further reinforces its ability to weather macro headwinds and provides an additional layer of downside protection in challenging market environments. The chart below shows the price performance of the Fund's Consumer Staples holdings vs. the MSCI World and MSCI World Consumer Staples over the quarter. Nestle and Coca-Cola performed particularly well, with only PepsiCo and Diageo posting negative returns over the period.

DIVS Consumer Staples Price Performance over Q1 2025



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

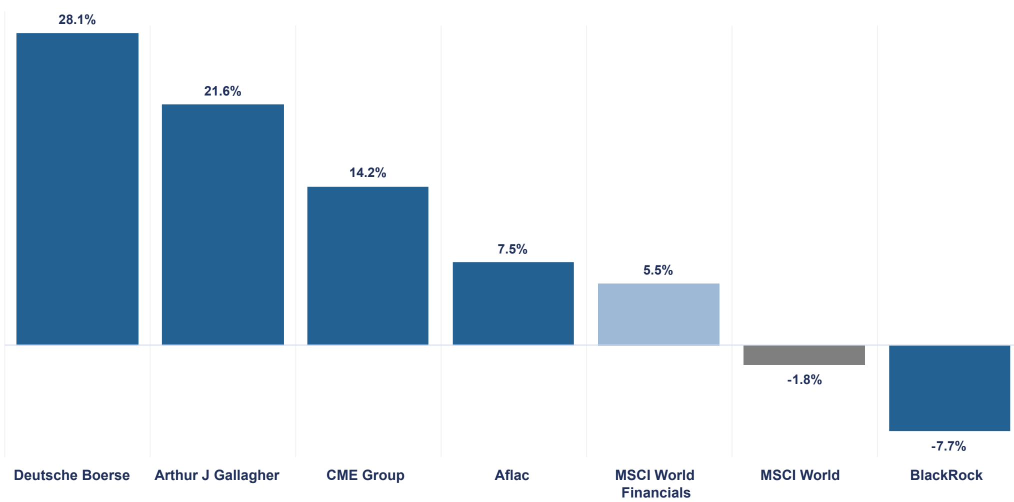
continued on following page...

2025, so far... (continued)

Although companies in the Financials sector are typically considered "cyclical", the sector delivered strong performance during the quarter, rising by 5.5% in USD. This was primarily driven by upgraded EPS expectations, despite limited multiple expansion. Within the Fund, Deutsche Boerse, Arthur J. Gallagher, and CME Group stood out as top sector performers. As a second-order effect, exchange operators such as Deutsche Boerse and CME Group benefited from the uncertain macro environment, with increased trading volumes driven by heightened hedging activity. While classified within the Financials sector, these businesses are structurally distinct from traditional cyclicals. They are high-quality companies with substantial recurring revenue streams, providing a strong degree of defensiveness during periods of economic stress.

Is US Exceptionalism Over?

DIVS Financials Price Performance over Q1 2025



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

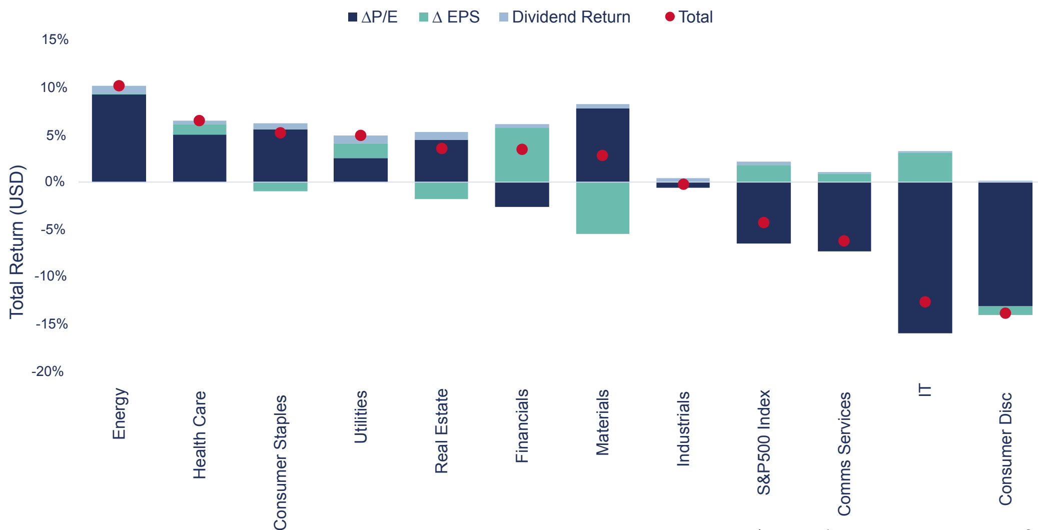
To make sense of the market movements over the first quarter of 2025, it's useful to understand the expectations coming into the year vs where we are now. Following yet another year of US equity outperformance in 2024, many investors entered 2025 with renewed confidence that a Republican-led administration would bolster economic growth, cut taxes, and further support US equity markets. Yet, as outlined above, the reality has diverged meaningfully from those early assumptions. As US markets grapple with the domestic uncertainty, Europe has surprised to the upside, delivering a more robust and coordinated fiscal response than many had anticipated, helping to stabilize sentiment and support activity across the region. European equities outperformed US equities by 15.6% during the quarter, making this the largest quarterly European outperformance vs. the US since 1985 according to data from Berenberg Research.

When breaking out performance, the S&P500 sell-off was led by the IT and Consumer Discretionary sectors, both falling double digits given a sharp multiple contraction. However, at an index level, the S&P500 actually saw an upward revision in earnings expectations (with 6 of the 11 sectors showing positive revisions). Nonetheless, this did not help to overcome the increasingly negative market sentiment with a contracting multiple leading the equity market declines.

continued on following page...

2025, so far... (continued)

Total Return Breakdown of the S&P500
(12.31.2024 - 03.31.2025)



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

On the other hand, the MSCI Europe index saw positive gains over Q1, which was driven by multiple expansion as well as some uplift to earnings expectations. From a sector perspective, Financials, Energy, Utilities, and Communication Services all performed well, as investor sentiment turned more bullish leading to a multiple rerating. Notable tailwinds have included a boost to defense spending as NATO ramps up its re-armament plans (and pushes its target spend as a % of GDP from 2% to ~3-3.5% over the coming decade). This has been referred to as a potential "Sputnik moment" – a catalyst that could attract fresh capital and ignite a new phase of economic growth in the region. However European IT, like its American counterpart, was not immune to a broader pull back as investors rotated out of Growth given the risks on the horizon.

Total Return Breakdown of the MSCI Europe
(12.31.2024 - 03.31.2025)

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

SmartETFs
by Guinness Atkinson

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.