DIVS

The SmartETFs Dividend Builder ETF

May 2025 Update

Portfolio Performance

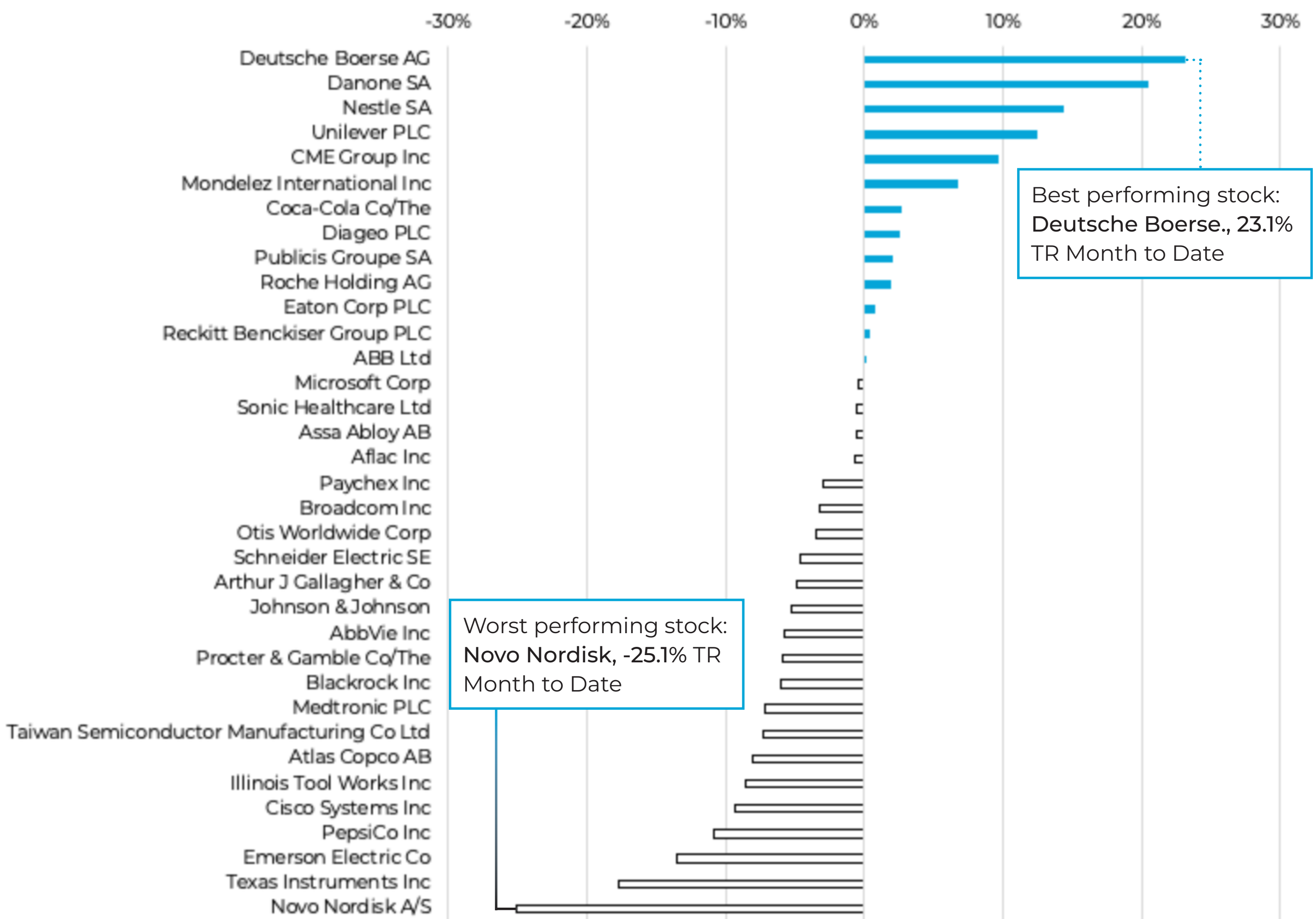
as of 04/30/2025

In April, DIVS was up 0.14% (NAV basis, down -0.10% market price), while the MSCI World Index benchmark was up 0.89%. The Fund's underperformance versus the benchmark over the month can be attributed to the following:

- The Fund's zero-weight allocation to Utilities and Materials which acted as a headwind given both sectors posted positive returns and outperformed the MSCI World Index.
- Further, the Fund's overweight allocation to Healthcare acted as a detractor from performance as the sector fell –1.9% over the month.
- However, DIVS benefitted from its large overweight allocation to Consumer Staples (26.0% vs 6.7% for the benchmark). The sector continued to highlight its strong diversification benefit amid broader market volatility, outperforming the index by 2.8% points.

In this commentary, we will delve deeper into the state of play following Trump's first 100 days in office. We discuss recent stock market performance, changes to treasury yields, the GDP picture, US dollar weakness, consumer sentiment declines, and the latest management commentary we are hearing from the ongoing Q2 earnings season. 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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May 2025 Update

SmartETFs
by Guinness Atkinson

Portfolio Performance

As of 4/30/2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (03/30/2012)
DIVS at NAV	2.77%	13.01%	9.91%	13.87%	9.43%	10.48%
DIVS at Market Price	2.99%	13.03%	9.90%	13.83%	9.41%	10.47%
MSCI World NR	-0.92%	12.16%	11.05%	13.94%	9.33%	10.11%

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: 0.66% (net) | 1.01% (gross)

30-Day SEC Yield (as of 04/30/2025): 1.19% subsidized | 0.86% 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, 2028.

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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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Portfolio Changes

We made no changes to the portfolio holdings in the month.

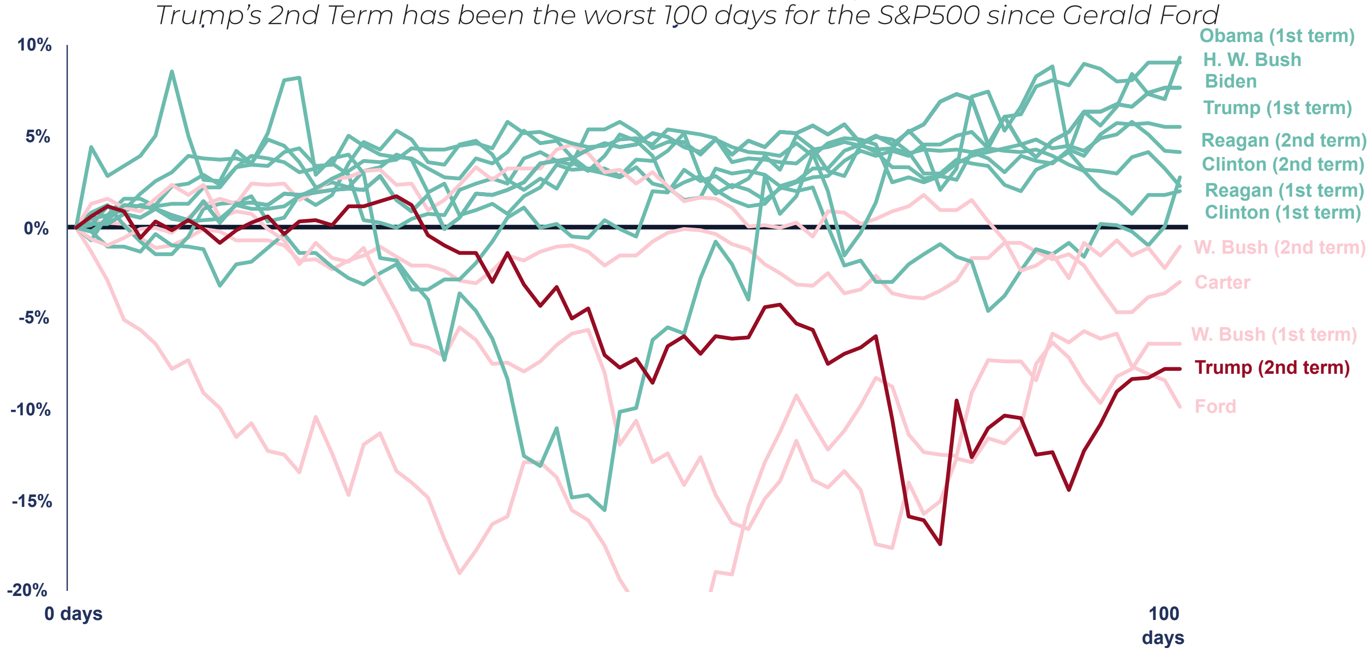
While the Trump administration has rowed back somewhat on the initial tariffs announced on April 2nd, significant uncertainty remains. The first "trade deals" are expected to be announced in the coming weeks and the market is likely to parse those agreements and use as a template for future announcements - which may offer the potential for better clarity on the likely scope and impact of final agreements. However, the special case of China remains an outlier and despite a softening of rhetoric this may continue to weigh on global growth if not resolved quickly.

We have seen a rebound from equity market lows, but sentiment appears subdued and conviction on the outlook remains weak. We believe our approach of seeking resilient companies with strong business models and high returns on capital leaves us well placed to weather whatever comes next, and we still see strong support for dividend payments from our holdings in the meantime.

April in Review

US President's First 100 Days

Trump's 2nd Term has been the worst 100 days for the S&P500 since Gerald Ford



Source: Bloomberg. Data as of April 30, 2025.

Over April, Trump hit the 100-day mark of his second presidential term. As the saying goes, there are decades where nothing happens and weeks where decades happen. Where the tumultuous last 100 days fits in, is anyone's guess. There is no doubt, however, that the constant policy reversals, regulatory uncertainty, and geopolitical posturing have rattled investor confidence and weighed on market performance.

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SmartETFs by Guinness Atkinson

April in Review (continued)

This now marks the worst 100 day start to any presidential term over the past 50 years, only surpassed in 1974 when Ford took over from his disgraced predecessor Nixon.

Are You Feeling Liberated?

Average US Effective Tariff Rate
1900 - 2025

Source: (above) Budget lab at Yale, Guinness Atkinson, (right) The White House. Data as of April 30, 2025.

While it seems like an age ago now, so called "Liberation Day" on April 2nd saw Trump unveil the substance of his America-First trade policy. This included a 10% baseline tariff on all imports (albeit with some minor exemptions) as well as additional "retaliatory tariffs" on a range of trading partners citing "a national emergency resulting from … large and persistent annual US goods trade deficits." These were subsequently paused for a 90-day review period. China, however, was not reprieved and still faces a current tariff rate of 145% on most non-technology goods. These recent measures pushed the overall effective tariff rate north of 22%, the highest level since 1909 and marking a significant break from trade liberalization. Trump has long viewed global trade as a zero-sum game - the fact that America runs a large deficit signals weakness in his view. Tariffs are therefore intended to rebalance trade flows, raise tax revenues, and revive U.S. manufacturing. However, history shows that they usually have perverse economic outcomes, with Fed chair Powell expecting "higher inflation and slower growth" as a result.

Reciprocal Tariffs

Country	Tariffs Charged to the U.S.A. Including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

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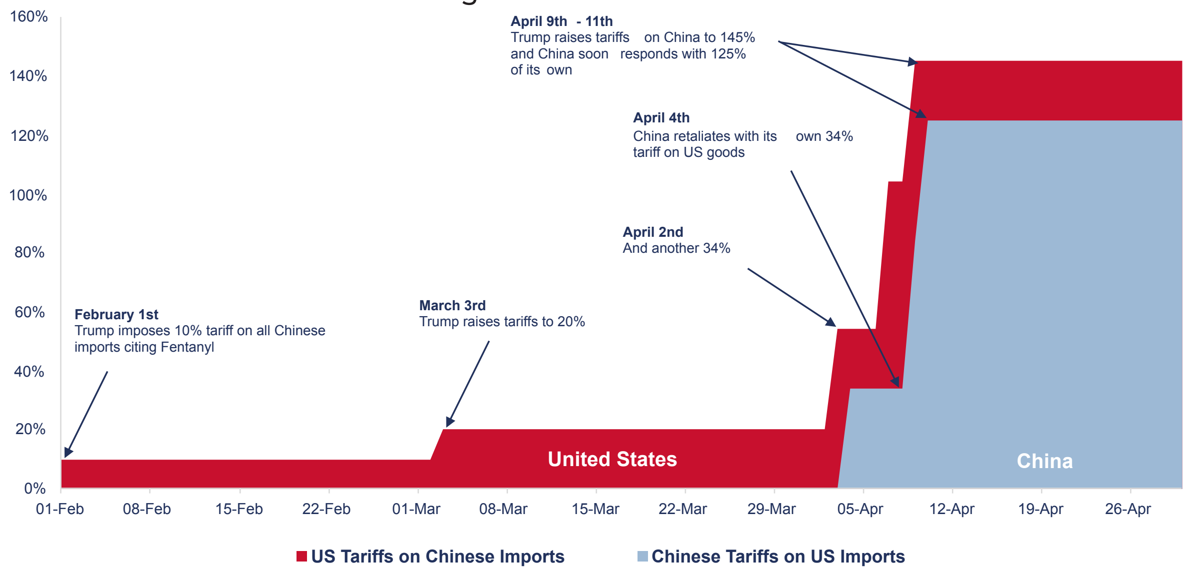
April in Review (continued)

Deals Aplenty

Escalating Tariffs Between US & China



Source: Reuters, CNN Business, Guinness Atkinson. Data as of April 30, 2025.

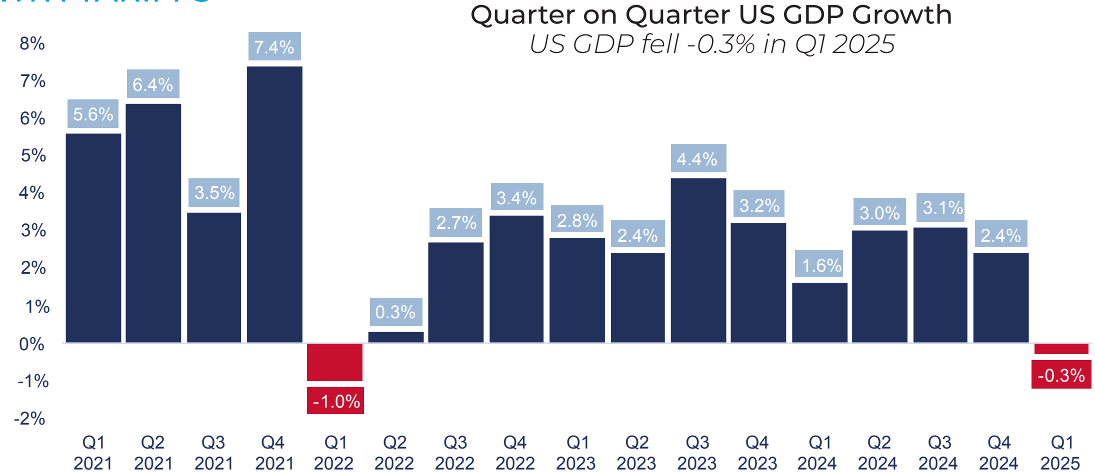
The administration has hinted at softening its hardline approach on China, with Secretary Treasury Bessent indicating he expected the US and China to reach a trade deal in the "very near future". Trump echoed this view towards the end of the month, seeing a "very good chance" of a trade deal, albeit on US terms. He also cited potential agreements with South Korea, Japan, and India, which all helped to improve investor sentiment and would be a welcome relief for markets. On a separate note, the US and Ukraine reached a deal over access to Ukraine's natural resources on the last day of the month but, at time of writing, full details are yet to be released.

"NOTHING TO DO WITH TARIFFS"

According to President Trump, the Q1 US GDP (gross domestic product) decline of -0.3% was not related to tariffs. The evidence suggests otherwise, but it is not quite as simple as it seems. The headline figure was a substantial drop from the +2.4% posted just one quarter prior, but

Quarter on Quarter US GDP Growth

US GDP fell -0.3% in Q1 2025



Source: Bloomberg, Bureau of Economic Analysis. Data as of April 30, 2025.

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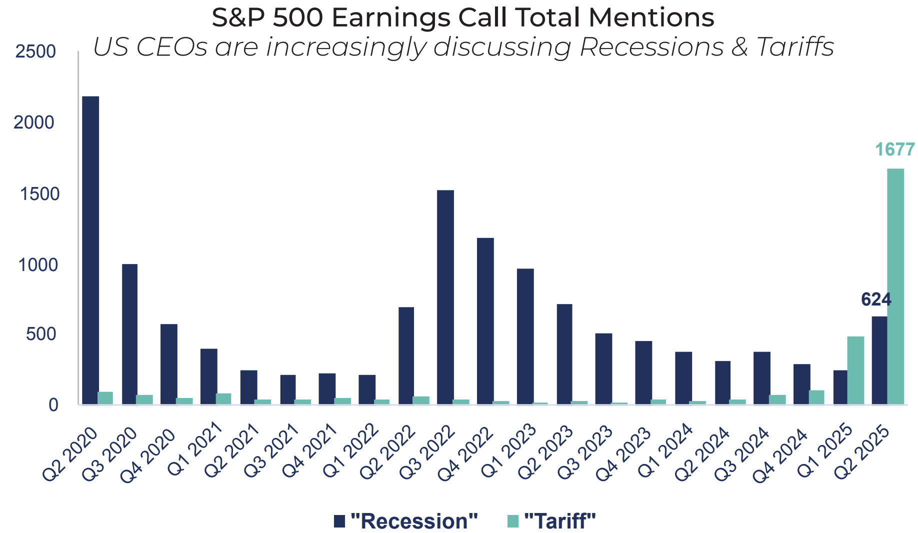
April in Review (continued)

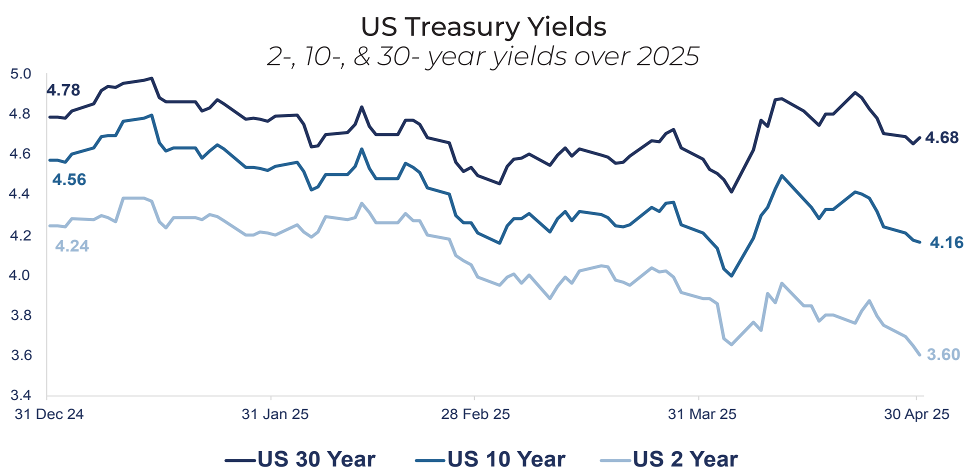
the cause of the decline was a massive surge in imports (which had a ~5 percentage point impact on the print). Note, imports are subtracted from GDP as they are not produced domestically (i.e. not "domestic product") and therefore should avoid being double counted in consumption & investment. This may have been a one-off surge to avoid the tariff deadline and would then likely be washed out over the coming quarters. On a more positive note, household consumption (the main engine of the US economy) grew by +1.8% with consumer spending and private investment also posting robust figures, meaning that the headline print was more nuanced than initially seems. Nonetheless, this was the first quarterly contraction for the US economy since early 2022 and CEOs are growing increasingly cautious on earnings calls, with mentions of "recession" and "tariffs" on the rise.



Source: Bloomberg. Data as of April 30, 2025.

Volatile Yields

Amid 2025's softening economic outlook, investors have rotated out of equities and sought safety in government debt, causing bond prices to rise and yields to fall. This trend continued in early April, as sweeping tariffs unsettled investors and prompted a flight to safety (treasuries rallied sharply and yields fell further). However, this reversed course shortly thereafter with yields climbing sharply, particularly at the longer end of the curve (10 year & 30-year maturities). This may have been exacerbated by hedge funds unwinding positions (selling bonds to raise cash) but some suggest the underlying cause was a growing concern over



Source: Bloomberg. Data as of April 30, 2025.

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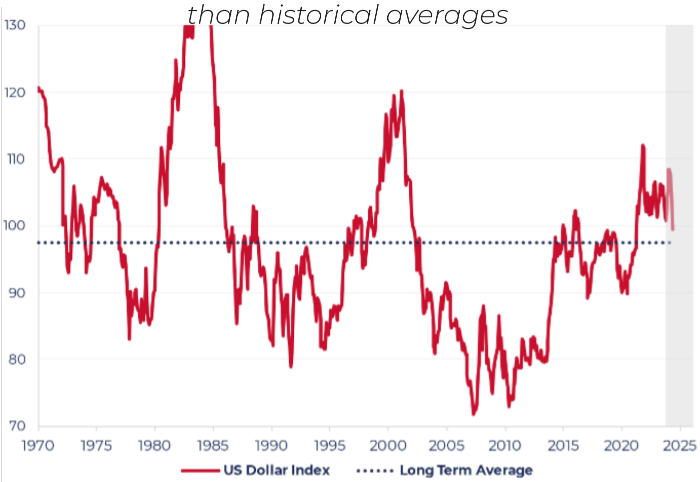
April in Review (continued)

the future financial stability of the US, given the potential for higher inflation (with US tariffs), ongoing budget deficits (given tax cuts) and broader uncertainty about domestic & international policy. This means investors are likely to demand a higher premium to compensate for the risk associated with holding US debt, hence the relatively sharp rebound in US Yields over April. Yields remain a core focus for the administration, who have publicly stated their goal to bring down the cost of borrowing, with ~$28bn in need of refinancing over the coming 4 years.

$USD (own)

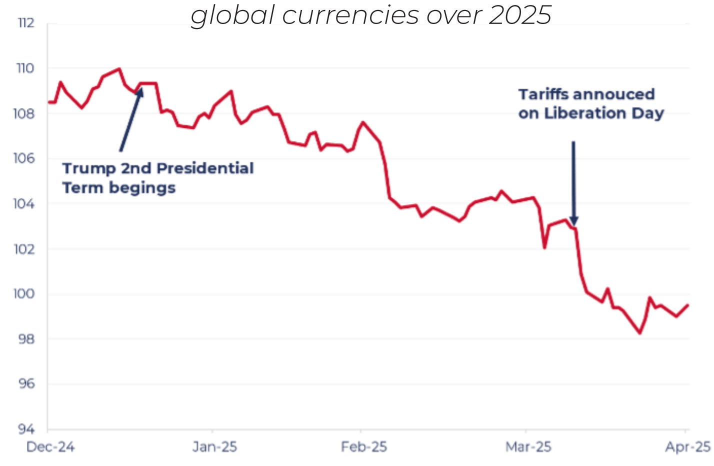
US Dollar Index

On a Long term view, the $ remains stronger than historical averages



US Dollar Index

However, the Value of the $ has fallen vs major global currencies over 2025



Source: Bloomberg, US Dollar Index. Data as of April 30, 2025.

The US Dollar has had its say on Trump's first 100 days, giving up almost 10% of its value vs a basket of major world currencies. Coincidentally, the centenary of Churchill's 1925 decision to return the pound to the Gold Standard has just passed, an event later seen as marking the end of sterling's dominance as the world's reserve currency. While the dollar's hegemony is far from over, the decline in dollar strength over 2025 has certainly been noteworthy. While stocks, bonds, and commodities have all rebounded significantly since the early April sell-off, the dollar is yet to take part in the recovery. This suggests that foreigner investors have been doing much of the selling (rotating out of US assets), while domestic investors must still be buying. The falling dollar, normally considered a haven in times of uncertainty, may now be reflecting a loss of confidence in the broader outlook for the US economy.

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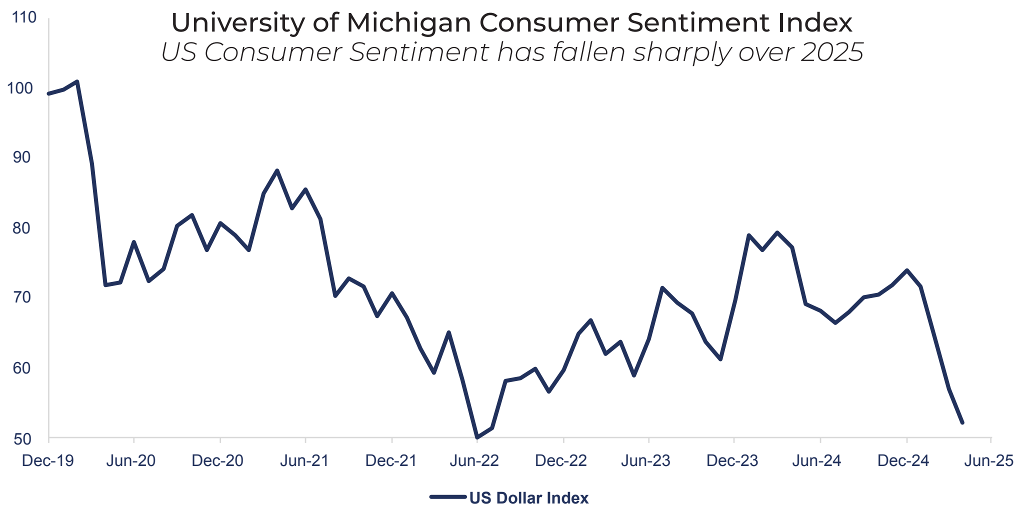
April in Review (continued)

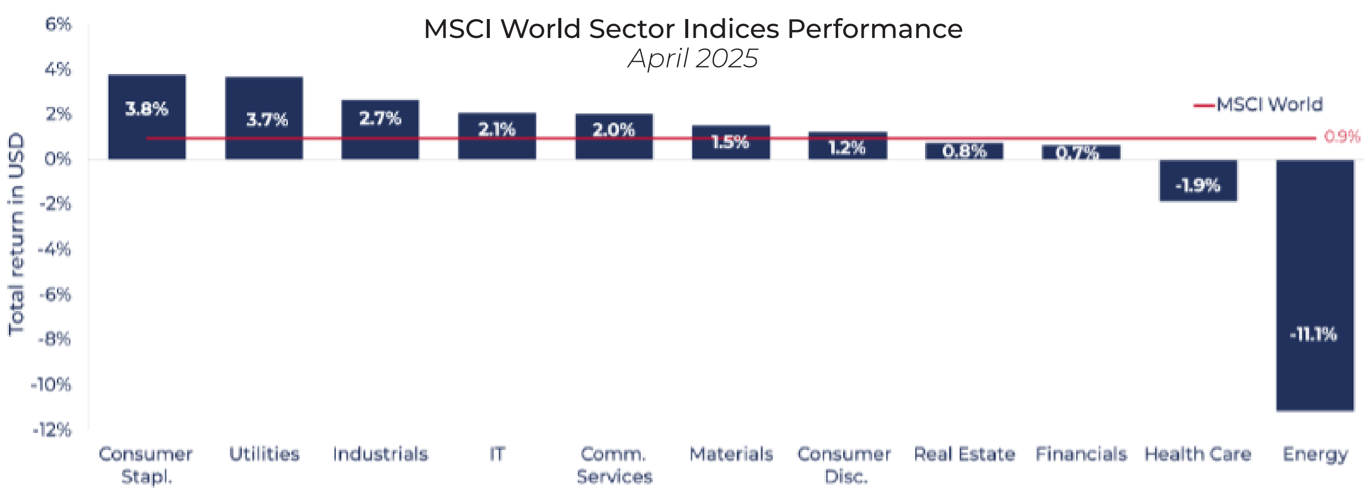
A Worried Consumer

It is well understood that the consumer is a key part of the US economic picture. Putting all the volatility, tariffs, and economic uncertainty together, it is no wonder that the consumer is more concerned. While the actual data shows they are still spending, a fall in consumer confidence is rarely a positive forward-looking indicator and is something we are monitoring closely during management calls over the ongoing Q2 earnings season.



Source: Bloomberg, University of Michigan Consumer Sentiment Index. Data as of April 30, 2025.

What are Companies Saying?



Source: Bloomberg. Data as of April 30, 2025.

The chart above shows the clear divergence in sector performance over the month of April. While each sector has its own unique drivers, we have summarized a handful of broader themes that companies have been discussing over the Q2 earnings season, both names held in the Fund as well as bellwether stocks which are not held but provide interesting insights.

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April in Review (continued)

Theme 1: The consumer is generally struggling. This is showing up more in certain industries (Staples are holding up as core purchases continue but airlines are seeing discretionary travel fall) and in certain regions (notably weak in US & China).

- Coca Cola (held in portfolio) CEO James Quincey: "Volume was impacted by weakening consumer sentiment… but by staying consumer-centric and offering choice, we're seeing growth across multiple elements of our portfolio."
- Mondelez (held in portfolio) CEO Dirk van der Put: "The consumer feels very uncertain about the future … in the US, consumer confidence declined sharply … in Europe, I would say consumer confidence is in general stable… the Chinese consumer remains quite subdued, a 20-year low … the Indian consumer is stable… I would say (overall) the consumer sentiment is quite mixed."
- P&G (held in portfolio) CFO Andre Schulten: "From a China perspective, the message hasn't changed. The market is still flat to down across our categories… recovery in China will take time and won't be a straight line."
- Tesco (not held) CEO Ken Murphy: "Consumer sentiment is fragile, and value has never been so important."
- Southwest Airlines (not held) COO Andrew Watterson: "Business travel has held up… it's the customer's discretionary travel that is really the crux of the slowdown."

Theme 2: Companies are trying to rework supply chains by avoiding imports from China, but this is neither quick nor easy.

- ServiceNow (not held) CEO William McDermott: "Businesses reduce dependency on high tariff regions by reprioritizing tier two and three suppliers, while activating the certification of new vendors. This same conversation is happening across all industries as CEOs navigate this terrain."
- Tesla (not held) Chief Accounting Officer Vaibhav Taneja: "We are in the process of commissioning equipment for the local manufacturing of LFP battery cells in the U.S… we've also been working on securing additional supply chain from non-China-based supplies but it will take time."
- Sketchers (not held) COO David Weinberg: "The smallest piece of what we make and what we bring into the US will now come from China, at least in the short term … we really have no intention of bringing (in) any 150% goods."

Theme 3: Shipping routes are changing. China-to-U.S. sea freight volumes are down by ~ a quarter but offset by rising Southeast Asia shipments.

- Kuehne & Nagel (not held) International CEO Stefan Paul: is seeing "a slowdown of bookings out of China to the US …this is almost equalized by an uptick in the other Asian markets and other trade lanes. Whether it's 1:1 for the second quarter or there is a slight decrease in volumes, we cannot yet confirm, but the pattern shows that is almost equal and the volume will not collapse."

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April in Review (continued)

- UPS (not held) CEO Carol Tome: "Trade lanes are shifting. So that means trade … will move to other trade lanes." CFO Brian Dykes added "we're seeing these things shift because manufacturers in China are not slowing down. They're shifting where the goods are going."

Theme 4: Big tech continues to invest in CAPEX with positive commentary around AI.

- Alphabet (not held) CFO Anat Ashkenazi: "We're still planning to invest ~$75 billion in CAPEX this year. We do see a tremendous opportunity ahead of us across the organization, whether it's to support Google Services, Google Cloud, and Google DeepMind."
- Meta (not held) CFO Susan Li: "We anticipate our FY 2025 CAPEX…will be in the range of $64-$67bn, increased from our prior outlook of $60-$65bn. This updated outlook reflects additional data center investments to support our AI efforts."
- Microsoft (held in portfolio) CFO Amy Hood: "We remain committed to investing against the strong demand signals we see for our services… our FY 2026 capital expenditures remain unchanged. We expect CAPEX to grow."
- Amazon (not held) AWS VP of Global Data Centers Kevin Miller: "First and foremost, we continue to see strong demand for both Generative AI and foundational workloads on AWS… there haven't been any recent fundamental changes in our expansion plans."

Theme 5: Guidance is no longer a given. Multiple companies are pushing off guidance given the broader uncertainty.

- Stellantis, (not held) CFO Douglas Ostermann: "The policy framework on tariffs has shifted and is continuing to evolve. And so we're taking what we believe is the appropriate step of temporarily suspending our financial guidance." Other auto giants including Mercedes-Benz, Volkswagen, GM, and Volvo have also suspended guidance.
- Delta (not held) CEO Ed Bastian: ""Given the lack of economic clarity, it is premature at this time to provide an updated full-year outlook". Industry peers including American Airlines, Southwest Airlines, Alaska Air and Frontier, have all done the same.
- The technology sector has not been immune. Snapchat (not held) CFO Derek Andersen said: "Given the uncertainty with respect to how macroeconomic conditions may evolve in the months ahead … we do not intend to share formal financial guidance for Q2".

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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.