

SOLR

The SmartETFs Sustainable Energy II ETF

July 2025 Update



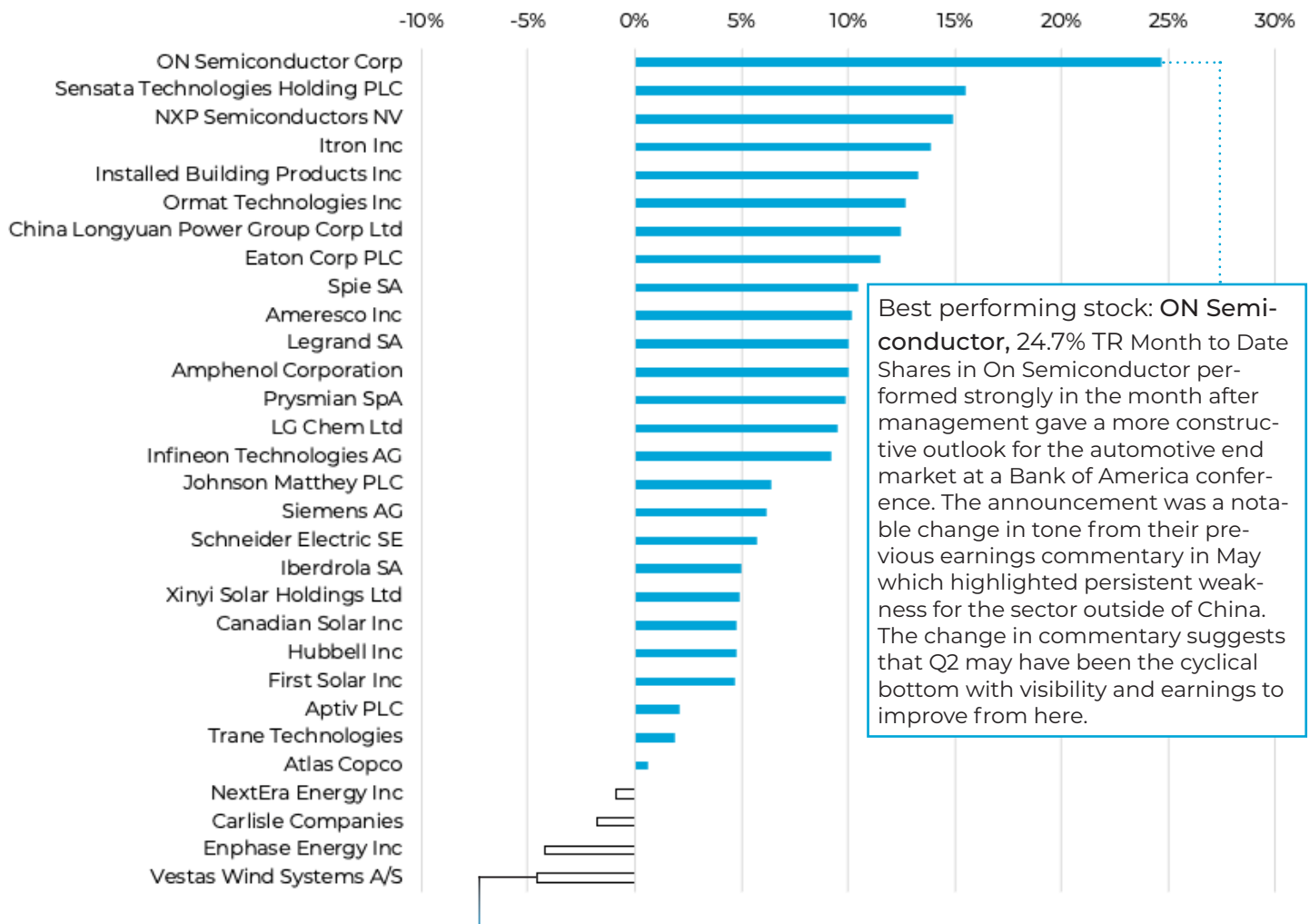
SmartETFs
by Guinness Atkinson

Portfolio Performance

as of 06/30/2025

SOLR outperformed its index in June, with the MSCI World Index benchmark delivering 4.32% while SOLR delivered 7.07% on NAV basis, and 7.10% on a market price basis. The first half of 2025 saw the U.S. government scale back parts of the Inflation Reduction Act. However, more clarity around U.S. policy, stronger support from European governments, and a rebound in electricity demand helped the sector perform well during this period. Looking ahead, we see reasons to be cautiously optimistic for the second half of the year. In this update, we review major economic and market trends from the first half of 2025, as well as how the fund performed. Read on for more SOLR.

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



Best performing stock: ON Semiconductor, 24.7% TR Month to Date
Shares in On Semiconductor performed strongly in the month after management gave a more constructive outlook for the automotive end market at a Bank of America conference. The announcement was a notable change in tone from their previous earnings commentary in May which highlighted persistent weakness for the sector outside of China. The change in commentary suggests that Q2 may have been the cyclical bottom with visibility and earnings to improve from here.

Worst performing stock: Vestas Wind Systems, -4.6% TR Month to Date
In June, shares in Vestas were negatively impacted by ongoing US budget discussions and efforts to alter the IRA Investment Bill. Under the latest iteration of the bill, wind tax incentives face a steeper rollback than had previously been expected, hurting names in the sector and adding to the prevailing negative sentiment.

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

As of 06/30/2025	1 Month	YTD	1 Year	3 Years	Since Inception (11/11/20)
SOLR at NAV	7.07%	11.87%	2.69%	3.35%	2.96%
SOLR at Market Price	7.10%	12.55%	3.00%	3.24%	3.32%
MSCI World NR	4.32%	9.47%	16.26%	18.29%	12.26%

Expense Ratio: 0.79% (net) | 3.12% (gross)

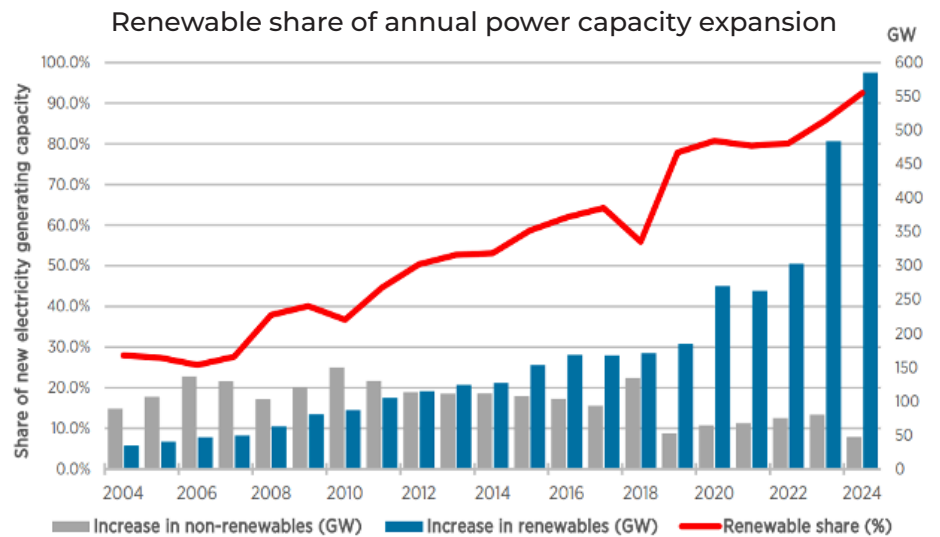
The Adviser has contractually agreed to reduce its fees and/or pay ETF expenses in order to limit the Fund’s total annual operating expenses to 0.79% through June 30, 2028.

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance data quoted. Performance data current to the most recent month-end may be obtained by visiting SmartETFs.com, or calling (866) 307-5990. The returns shown are cumulative for the period, not annualized. Market prices return is based on the market price of Fund shares as of the close of trading on the exchange where the shares are listed.

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

Interesting News

According to IRENA, renewables made up 92.5% of all new capacity additions in 2024, a material increase from 85.8% in 2023. As a result, renewables now account for 46.4% of total installed power capacity globally, up from 43.1% the previous year. Renewable share gains have been driven by both the increasing adoption of renewable technologies and continued net decommissioning of fossil fuel capacity. China remains the dominant driver of the renewables build out, followed by the US.



Source: IRENA, 2025

continued on following page...



Interesting News

- Global electric vehicle (EV) sales increased 24% year-on-year in May, according to Rho Motion. EV sales in China surpassed one million units in a single month for the first time in 2025, with strong domestic demand and an emerging export market driving sales growth. EV sales in Europe rose 36% year-on-year as the market continues to benefit from supportive and consistent policy in key regions such as Germany and the UK. Despite registering 7.5% year-on-year growth, EV adoption in North America continues to be impacted by tariff uncertainty and wavering policy support.
- In May, China set a new global record by installing 93 gigawatts (GW) of solar power capacity in a single month. A surge in installations had been expected as developers rush to complete projects ahead of incoming policy changes in June that adjust pricing policies and enhance grid connection requirements to better integrate renewables into the broader energy system. As a result, China's total solar additions for the first five months of 2025 reached 198 GW, averaging over 1 GW per day.
- In another sign of renewed momentum for the U.S. nuclear industry, Meta has signed a 20-year agreement to purchase the full output of the Clinton nuclear plant in Illinois, starting in 2027. This deal helps Meta secure stable, carbon-free power to fuel its energy-intensive AI ambitions. In the US, both utilities and technology firms face tightening electricity supplies as the country faces an inflection in power demand for the first time in decades due to the proliferation of AI datacenters.
- Despite a slowdown in overall M&A activity, BNEF have reported that the number of climate-tech-related transactions reached their highest level in 3 years in the first quarter of 2025. Deal making activity was highest in the US and in particular in the Energy Storage sector, led by Rio Tinto's \$6.6 billion acquisition of Arcadium Lithium. As previously discussed, attractive valuations and increasing power demand continue to drive M&A activity in the sustainable energy space, with Reuters reporting that there were 27 deals in the first two months of the year alone in the US worth a combined \$36.4bn.
- China is undertaking a significant transformation of its power grid, with State Grid Corporation of China announcing plans to invest over 650 billion yuan (\$89 billion) in 2025 alone. This substantial investment aims to address the challenges posed by the rapid expansion of renewable energy sources, such as solar and wind, which have outpaced the current grid's capacity to efficiently distribute power. The funds will be directed towards enhancing ultra-high-voltage transmission lines, upgrading distribution networks, and integrating advanced technologies like smart grid systems and energy storage solutions. These efforts are crucial for reducing renewable energy curtailment and ensuring a stable and flexible power supply to meet the country's growing energy demand.

continued on following page...



1H 2025

SOLR delivered a return of 11.87% on NAV basis, and 12.55% on a market price basis during the first half of the year, outperforming the MSCI World Index (+9.47%). Global equity markets suffered significant volatility, with the US underperforming Europe following the “Liberation Day” tariff announcements and then recovering somewhat thereafter. Europe’s outperformance was fueled by defense and infrastructure spending, supported by a weaker dollar.

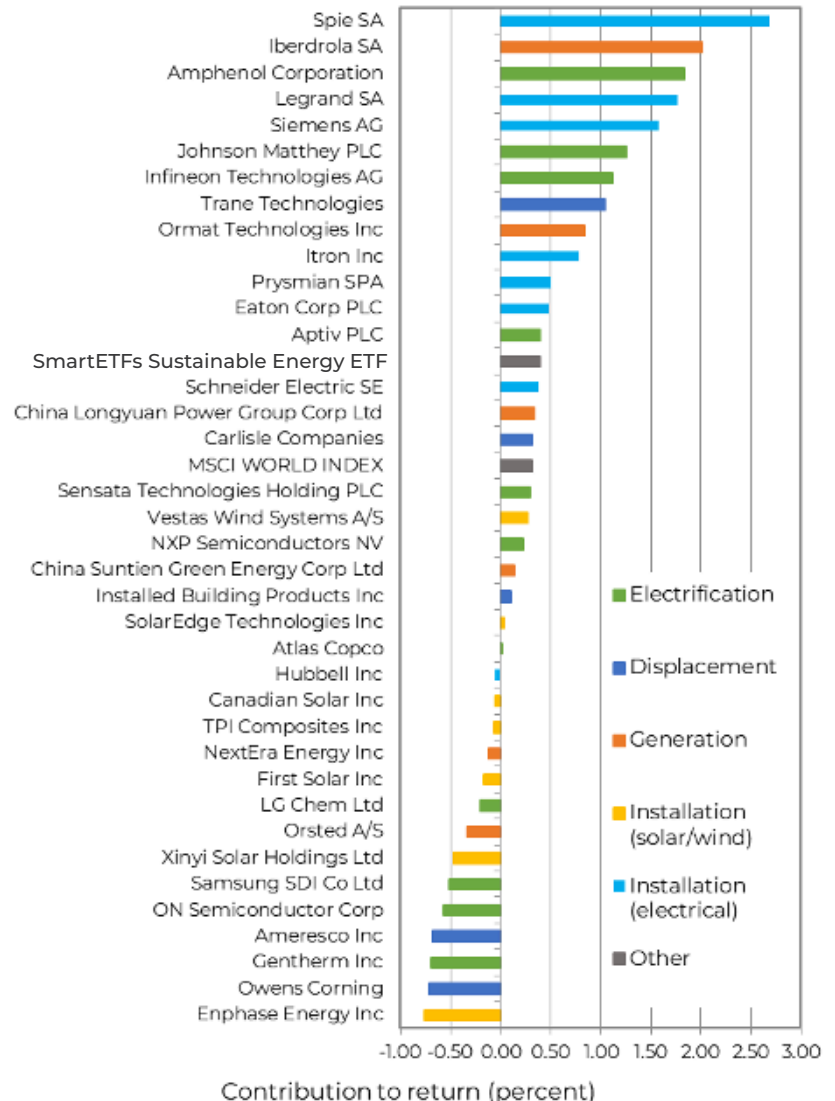
Within our portfolio, the top contributing segments were our electrical installation and electrification sectors, while underperforming segments included our solar/wind equipment and auto-exposed electrification names. We are encouraged at the diversity and breadth of contribution within the portfolio, with our top ten contributors equally split across US and Europe and representing all five of our master themes. Key discussion points were as follows:

- Our electrical equipment

companies all performed well, driven by an acceleration in global electrification activity, grid spending and, in select cases (such as Legrand), exposure to the data center sub-sector. Top contributor SPIE delivered upgraded guidance at its Capital Markets Day and benefitted from higher German infrastructure spending.

- Amphenol shares performed strongly, having materially beaten revenue and operating margins expectations in 1Q results. Amphenol’s IT interconnect solutions “IT Datacom” segment delivered

1H 2025 contribution for SOLR



Contribution to return (percent)

Source: Bloomberg, SmartETFs estimates, June 30, 2025

This is not a recommendation to purchase or sell any companies mentioned herein. For the current fund holdings, please visit SmartETFs.com/SOLR

continued on following page...



1H 2025 (continued)

+134% YoY growth (reflecting data center and AI exposure) while four of its seven non-AI end markets posted mid-teens or better growth.

- Deal activity remained strong within the space, with Johnson Matthey contributing well having accepted a bid for its Catalyst Technologies division for £1.8bn (approx. \$2.45 bn USD) from Honeywell, at an implied attractive valuation of 15x TTM EBITDA. Management plan to return ~£1.4bn (approx. \$1.90 bn USD) (60% of current market cap) to shareholders once the deal is closed.
- Poorer contributors covered various themes and end markets. Enphase was directly affected by the cuts in subsidy to residential solar tax credits, Gentherm suffered from auto cycle weakness and uncertainties around Trump's tariffs while Owens Corning suffered after highlighting weakness in the North America Residential market. Ameresco was weak after management noted some uncertainty around federal government projects in its \$2.5 billion backlog of contracted projects.

There's more where that came from!

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

Disclosure

MSCI World Index captures large and mid cap representation across 23 Developed Markets countries. With 1,583 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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

Investing involves risk, including possible loss of principal.

The Fund's focus on the energy sector exposes it to greater market risk than if its assets were diversified among various sectors. Sustainable energy businesses are subject to various industry risks such as rapid and evolving changes in technology, demand for energy and economic factors as well as governmental policies and regulations. The Fund may invest in multiple countries including emerging markets and international companies which involves different and additional political, social, legal and regulatory risks. The global interconnectivity of industries and companies can be negatively impacted by economic uncertainties, environmental conditions and global pandemics or crises. These events can contribute to volatility, valuation and liquidity issues which could cause the value of the Fund to decline.

Consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. For a prospectus or summary prospectus with this and other information, please call (866) 307-5990 or visit our website at www.SmartETFs.com. Read the prospectus or summary prospectus carefully before investing.

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