



Portfolio Performance

as of 04/30/2024

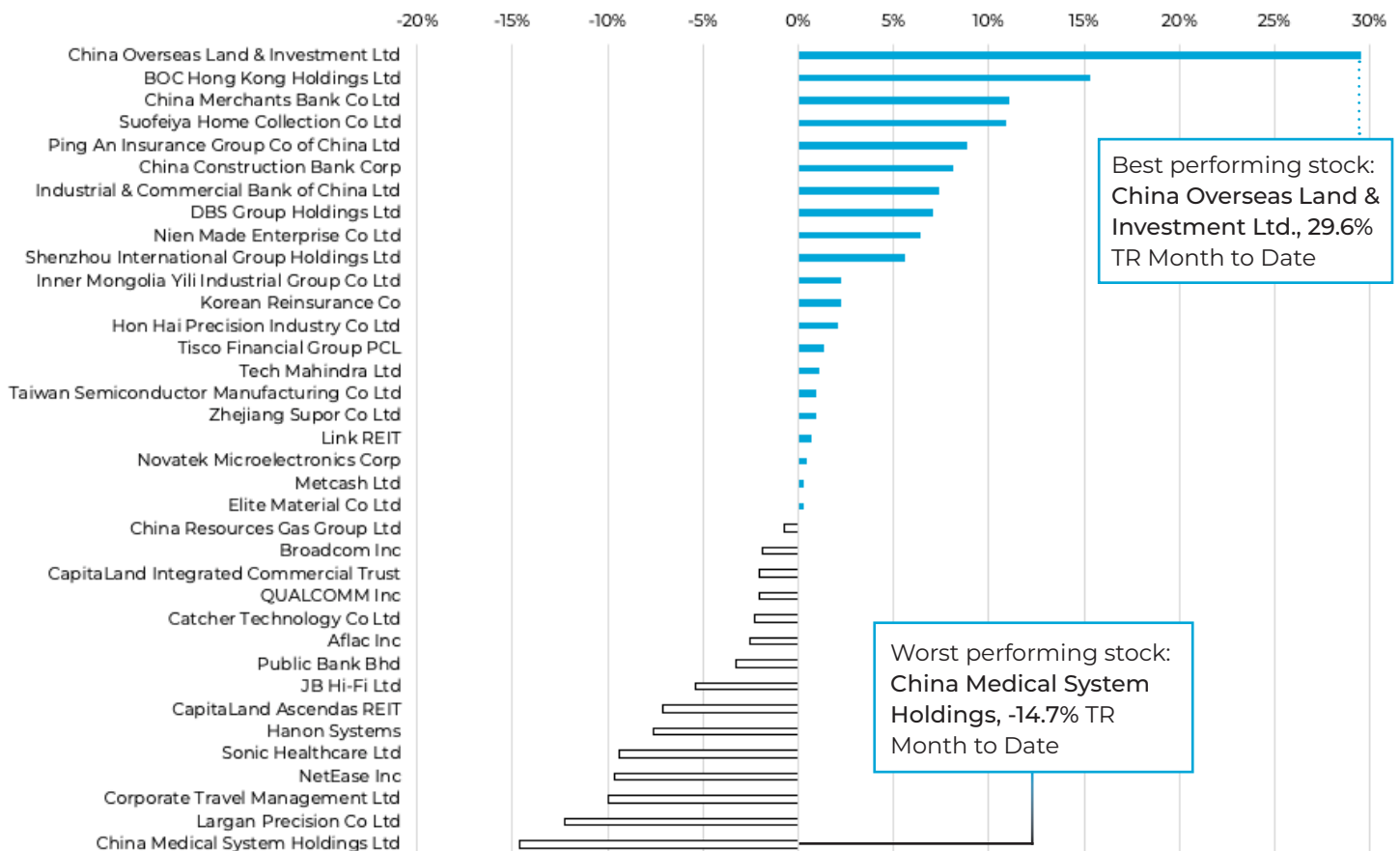
ADIV outperformed the index in April, delivering 0.99% on a NAV basis, and 0.50% on a market price basis, while the MSCI AC Pacific ex Japan Net Total Return Index benchmark rose 0.02%. This performance helped the Fund regain some of the lost ground from underperformance last month. Year to date, ADIV has risen 1.64% on a NAV basis, 0.79% on a market price basis, vs the benchmark's 1.35%.

China and Hong Kong emerged as the strongest Asian markets in April despite ongoing concerns in the real estate sector and youth unemployment. Conversely, Indonesia's market suffered due to an unexpected interest rate hike by Bank Indonesia, while the Japanese Yen continued to weaken, impacting Taiwanese and Korean currencies. Notably, the Fund's performance in April was driven by the Communication Services sector, with significant contributions also from Financials and Real Estate sectors.

The best three performing stocks in April all benefited from the China rebound in April. These were China Overseas Land & Investment, BOC Hong Kong, and China Merchants Bank. Our three weakest stocks were China Medical Systems, Largan Precision, and Corporate Travel Management.

Read on for a detailed analysis and further insights into ADIV's performance, including sector-specific impacts and a dividend review.

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



Best performing stock:
China Overseas Land & Investment Ltd., 29.6% TR Month to Date

Worst performing stock:
China Medical System Holdings, -14.7% TR Month to Date

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

After starting the year weakly, China and Hong Kong were the strongest Asian markets in April, with investor sentiment around China's economic landscape improving marginally. However, it is important to note that anxiety around the country's real estate sector and youth unemployment rate persists, and so we expect a non-linear recovery pattern until investor confidence is strengthened.

On the other side, Indonesia was the worst performing Asian market, with weakness driven by Bank Indonesia's surprise hike of 0.25%, lifting the 7-day reverse repurchase rate to 6.25%, the highest it has been since it was made the main policy rate in 2016. The decision was made by the central bank in an effort to support the Indonesian Rupiah, which had fallen to four-year lows.

Elsewhere in Asia, the Japanese Yen has continued to weaken against the US Dollar, reaching a 34-year low in April. As the Yen continued to slide, the market expected some intervention from the Bank of Japan. However, key interest rates were left unchanged, and commentary from Governor Ueda suggested there would be little incoming support. While we do not hold any Japanese stock in the Fund, we do hold Taiwanese and Korean companies, and movements in the Yen tend to affect the Taiwanese Dollar and the Korean Won (which usually move in the same direction against the US Dollar). As such, we may end up in a situation with strong UK performance but weaker USD performance.

By sector, Communication Services was the top performer, driven by a rebound in Chinese companies, and Tencent in particular. The Consumer Discretionary sector was similarly buoyed by Chinese names. Technology, on the other hand, was the weakest sector in April. The sector had had a strong performance so far in 2024, but was weighed down by Korean names, particularly Samsung Electronics.

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Portfolio Performance

As of 04/30/2024	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	1.64%	10.01%	-1.86%	4.29%	6.26%
ADIV at Market Price	0.79%	9.03%	-2.46%	4.08%	6.16%
MSCI AC Pacific Ex-Japan NR	1.35%	3.41%	-8.29%	1.15%	3.19%

As of 03/31/2024	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	0.64%	7.90%	-1.62%	4.61%	6.27%
ADIV at Market Price	0.29%	7.62%	-2.00%	4.50%	6.22%
MSCI AC Pacific Ex-Japan NR	1.33%	0.79%	-7.33%	1.52%	3.31%

Expense Ratio: 0.78% (net) | 5.08% (gross)

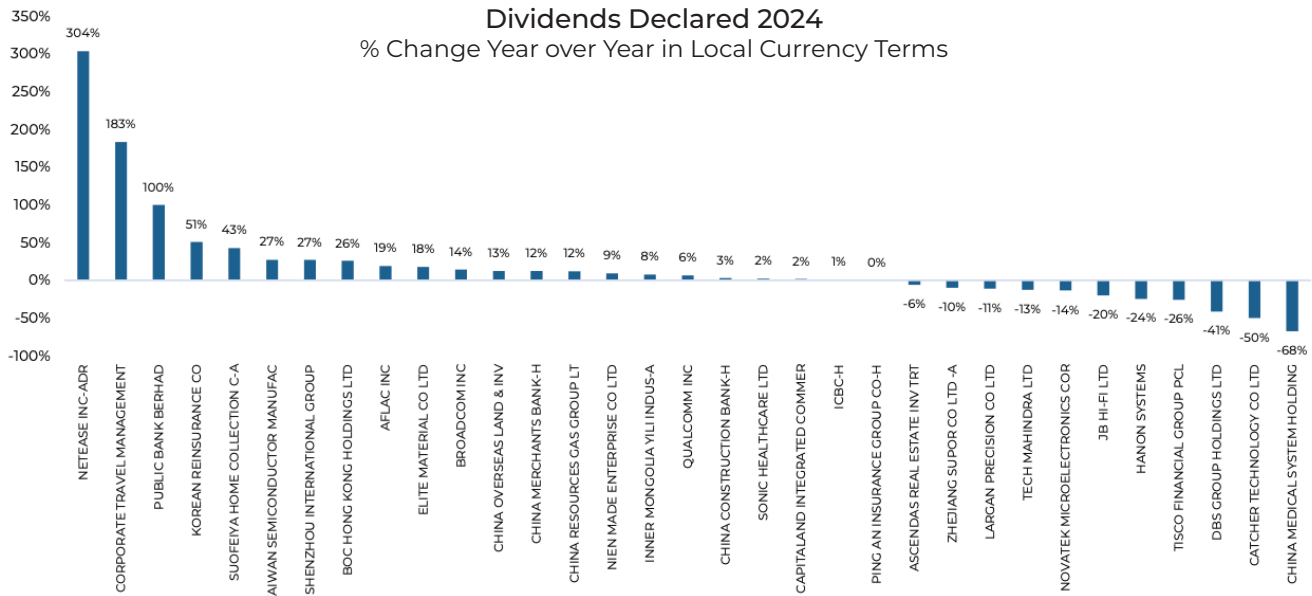
The Adviser has contractually agreed to reduce its fees and/or pay ETF expenses in order to limit the Fund's total annual operating expenses to 0.78% through June 30, 2027.

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. Performance would have been lower without fee waivers and or reimbursements in effect.

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 Asia Pacific Dividend Builder Fund, an open-end mutual fund (incepted March 31, 2006). 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 (including a lower management fee). 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.



Dividend Review



Source: SmartETFs, Guinness Atkinson, Company Reports. Data as of April 30, 2024.

Thirty-three of the Fund's thirty-six companies have now declared dividends in 2024, with twenty-one raising their dividend per share (DPS), one holding steady and eleven lowering their dividend per share. Of note, NetEase's DPS growth has led to a 70% payout ratio, far higher than the 30% noted in the company's dividend policy. In the case of Corporate Travel Management, the increase in DPS comes as the company continues to recover from the COVID era, where dividends were cancelled, and then reintroduced at far lower values than before. The latest DPS of AUD 0.17 (\$0.11 USD) brings the company's DPS back in line with the pre-pandemic era, albeit still 3% lower than the 2019 equivalent.

On the other side, China Medical Systems saw a 68% drop in DPS, driven by the weaker earnings results seen earlier in the year. From a payout ratio perspective, the company continues to maintain a stable c.40% payout ratio. With respect to Catcher Technology, which shows a 50% year-on-year DPS decline, we note that the company split out its annual dividend into two payments, one in November last year, and one in April this year. When these two payments are taken together, the DPS growth is flat for the company.



Fund Review

While stock selection is often the main driver of returns for the Fund, allocation drove outperformance in April. Our weighting to China, which was a drag on the Fund's performance for much of the first quarter, was the biggest contributor to total returns this month. On a stock selection basis, all but two of our Chinese names – China Medical System and NetEase – contributed positively to the Fund's performance.

For the second month in a row, China Medical System was the Fund's biggest detractor as the company continued to weaken on disappointing earnings results released at the very end of March. NetEase, a Chinese internet company known for its array of games, had weaker performance due to news of the initial performance of new game Condor Hero. The market had expected the game to reach the top five on the China iOS top-grossing game ranking and was disappointed with the game ranking 30th. This in turn has led to downgrades in revenue expectations from the game. We continue to be positive on the NetEase story. The company has finally renewed its publishing agreement with Blizzard Entertainment and is exploring options with Microsoft Gaming to bring NetEase titles to Xbox consoles and other platforms. Both of these, we believe, will likely reduce the impact of weaker revenues from the new game.

By sector, Financials and Real Estate contributed the most to the portfolio's total returns, boosted by our Chinese names in these sectors. All of our Financials companies contributed to total returns except for Aflac and Public Bank Berhad. In Real Estate, contributions to total return were driven by our position in China Overseas Land & Investment, again benefiting from the China uplift in April.

Elsewhere, Health Care, Information Technology, and Communication Services all detracted in April. Health Care and Communication Services were impacted by the underperformance from China Medical System and NetEase. In the case of Information Technology, detractions to total return from Largan Precision more than offset any positive contributions from the rest of our Technology names. Largan had a mixed set of results, with all first quarter 2024 results except earnings per share (EPS) coming in below sell-side expectations. However, we believe our underlying thesis is intact. Smartphone cameras are moving towards higher-spec hybrid lenses, in which Largan is a market leader.

ADIV

The SmartETFs Asia Pacific Dividend Builder ETF

May 2024 Update



SmartETFs
by Guinness Atkinson

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)

Important Information

MSCI AC Pacific ex Japan Index captures large and mid cap representation across 4 Developed Markets countries and 7 Emerging Markets countries in the Pacific region. With 1,176 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in each country.

NAV is the dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Market Price is the current price at which an asset or service can be bought or sold. The market price of an asset or service is determined by the forces of supply and demand. The price at which quantity supplied equals quantity demanded is the market price.

Earnings per Share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

EBITDA or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income.

Price to Earnings Ratio (PER) is the ratio for valuing a company that measures its current share price relative to its earnings per share.

Risks:

Investing involves risk, including possible loss of principal.

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.

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.