



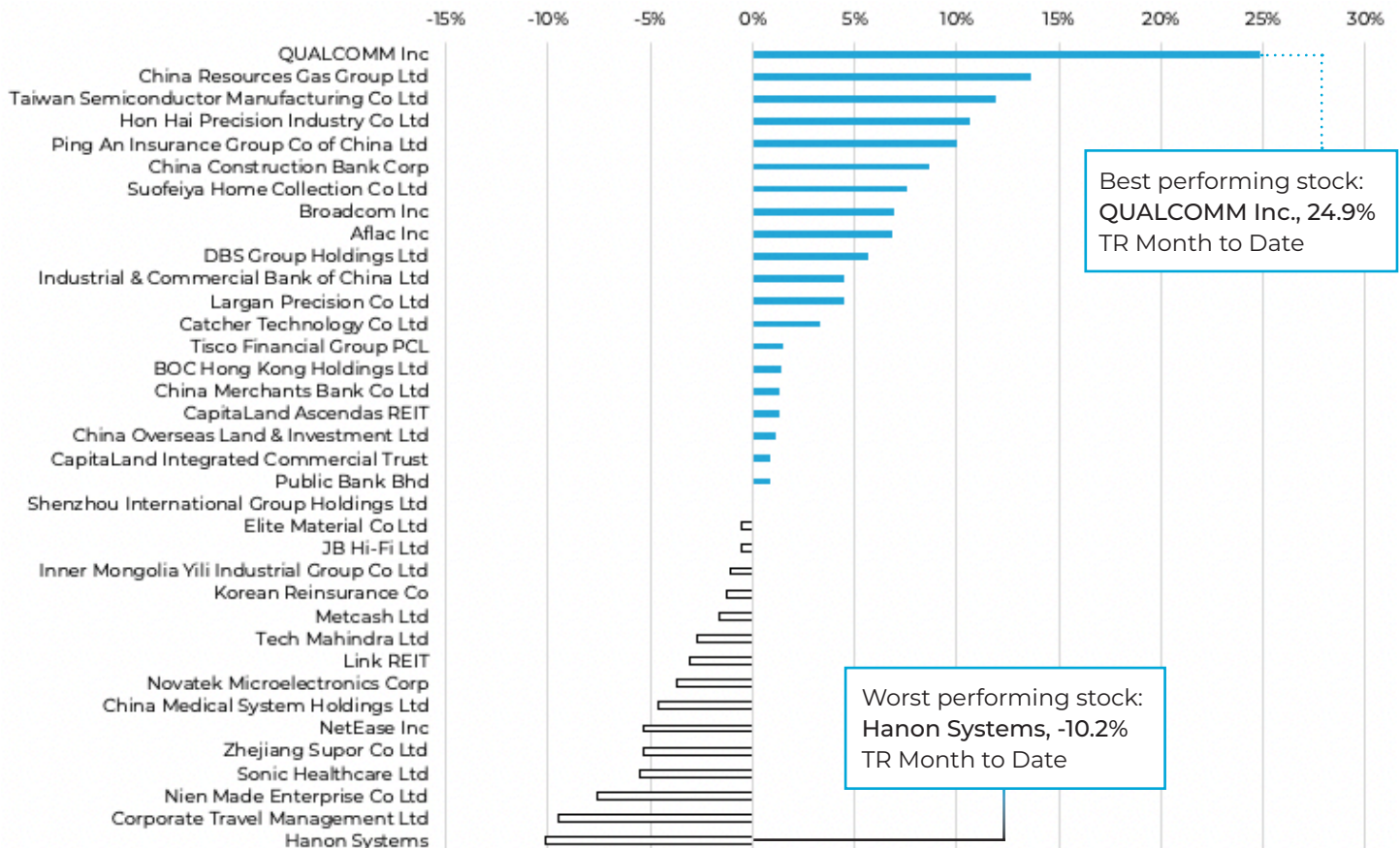
Portfolio Performance

as of 05/31/2024

ADIV under- and outperformed the index in May, delivering 1.55% on a NAV basis, and 2.27% on a market price basis, while the MSCI AC Pacific ex Japan Net Total Return Index benchmark rose 2.14%. The main source of relative weakness over the month was in our consumer discretionary stocks, specifically, Corporate Travel Management, JB HiFi, Hanon Systems, Nien Made Enterprise and Zhejiang Supor. The strongest areas in the portfolio were financials led by China Construction Bank, ICBC, Ping An Insurance that were supported by DBS and Aflac, and technology companies Hon Hai Precision and Qualcomm.

Taiwan was the best performing market in Asia led by industrials and technology. China was pushed higher initially by upgrades to consensus earnings forecasts on a top down basis, housing policies and a renewed government focus on growth policies but gave up ground in the second half of the month. Korea was the weakest major market in Asia, while Indonesia was once again, the worst performing Asian market. Macro concerns (US interest rates again) contributed to Korea's weakness, but there were specific areas of underperformance. This includes issues with Samsung's HBM chips failing Nvidia's testing and the FDA's rejection of HLB's liver cancer treatment application due to production problems. Last month, Bank Indonesia announced a surprise hike of 25 basis points in an effort to support the Indonesian Rupiah, which had fallen to four-year lows. The combination of weaker macro-data and the unwinding of a crowded position in banks, in what is a narrow market, drove the weakness. Read on for more ADIV.

Holdings are subject to change. Go to SmartETFs.com/ADIV 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

Qualcomm was the best performer with a strong set of results for its second quarter reporting period, coupled with good guidance. The company's chips have traditionally been focused on the wireless sector and this has been the source of recent nervousness about the stock: relations with Apple have become more difficult in recent years and US efforts to constrain China's Huawei are another source of pressure. But Qualcomm's diversification plans are taking on greater size and shape with sales now active in the PC and Auto sectors. Most recently, both Qualcomm and Microsoft have been promoting the incorporation of Qualcomm chips into Microsoft's Surface PC and highlighting the qualities of lower power consumption/maintenance of speed, which may make a dent into Intel's dominance in this area.

Hanon Systems was our weakest performer over the month and did not have a strong showing over the year-to-date period. The business is still facing challenges (sub-optimal capacity production on slower sales by customers, higher materials and logistics costs) but these pressures appear to be easing. The company has focused on labor and supply chain streamlining to address these with the focus on improving profitability. At the same time, it appears their customers' order volume is improving, and freight costs have normalized. The company announced an 11% equity raising which was allocated to Hankook Tire for debt redemption and therefore, there has been dilution. The thesis for this stock remains growth in EV take up and easing cost pressure.

continued on following page...



Portfolio Performance

As of 05/31/2024	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	3.21%	14.50%	-1.88%	6.39%	6.25%
ADIV at Market Price	3.08%	14.63%	-2.04%	6.33%	6.22%
MSCI AC Pacific Ex-Japan NR	3.51%	9.03%	-7.88%	3.20%	3.12%

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.

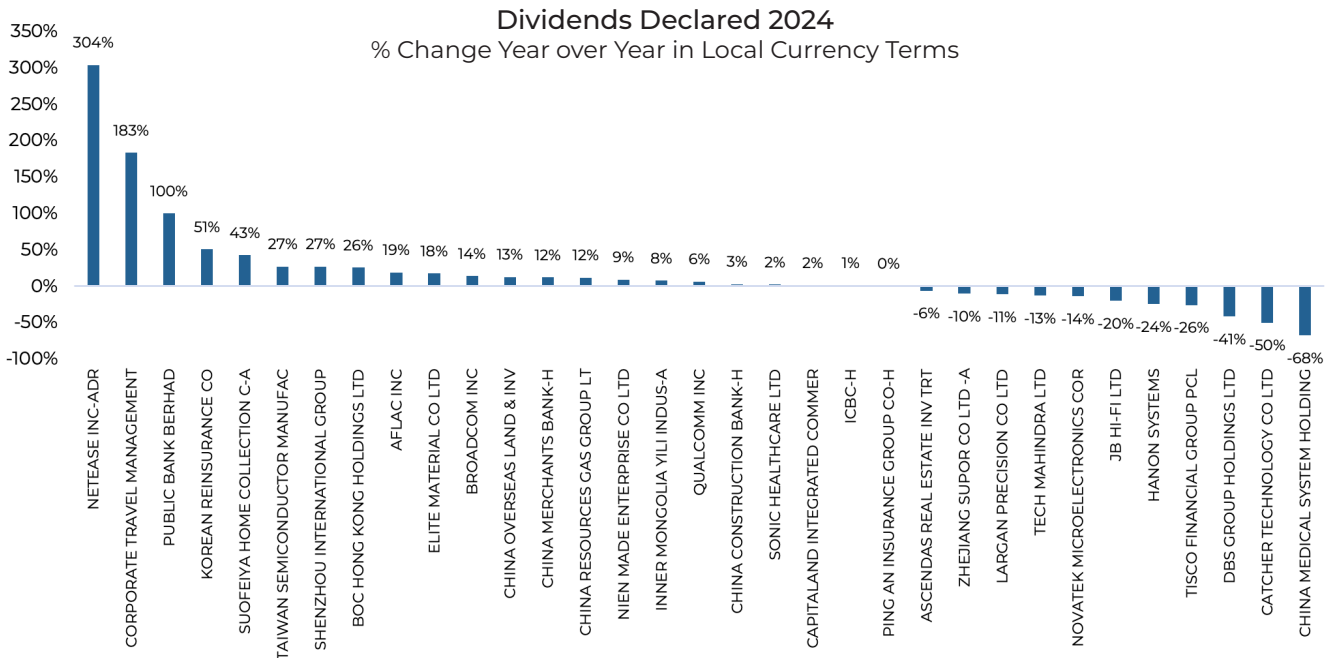
Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the 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

In May, we received two more quarterly dividends and Link REIT reported a final dividend that was 12% higher than last year but still 8% below its peak. The company disclosed earlier in the year some of the challenges it is facing, especially the competition from Shenzhen shopping malls and in our view, the dividend was better than we have expected. The last two companies to declare dividends in June will be Hon Hai Precision and Metcash.



Source: SmartETFs, Guinness Atkinson, Company Reports. Data as of May 31, 2024.

Thirty-three of ADIV'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 versus pre-pandemic. The latest DPS of AUD0.17 (\$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 c40% payout ratio. With respect to Catcher Technology, which shows a 50% year-on-year DPS decline, we would like to remind readers 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 actually flat for the company.

ADIV

The SmartETFs Asia Pacific Dividend Builder ETF

June 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.

Dividends per Share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding.

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.