



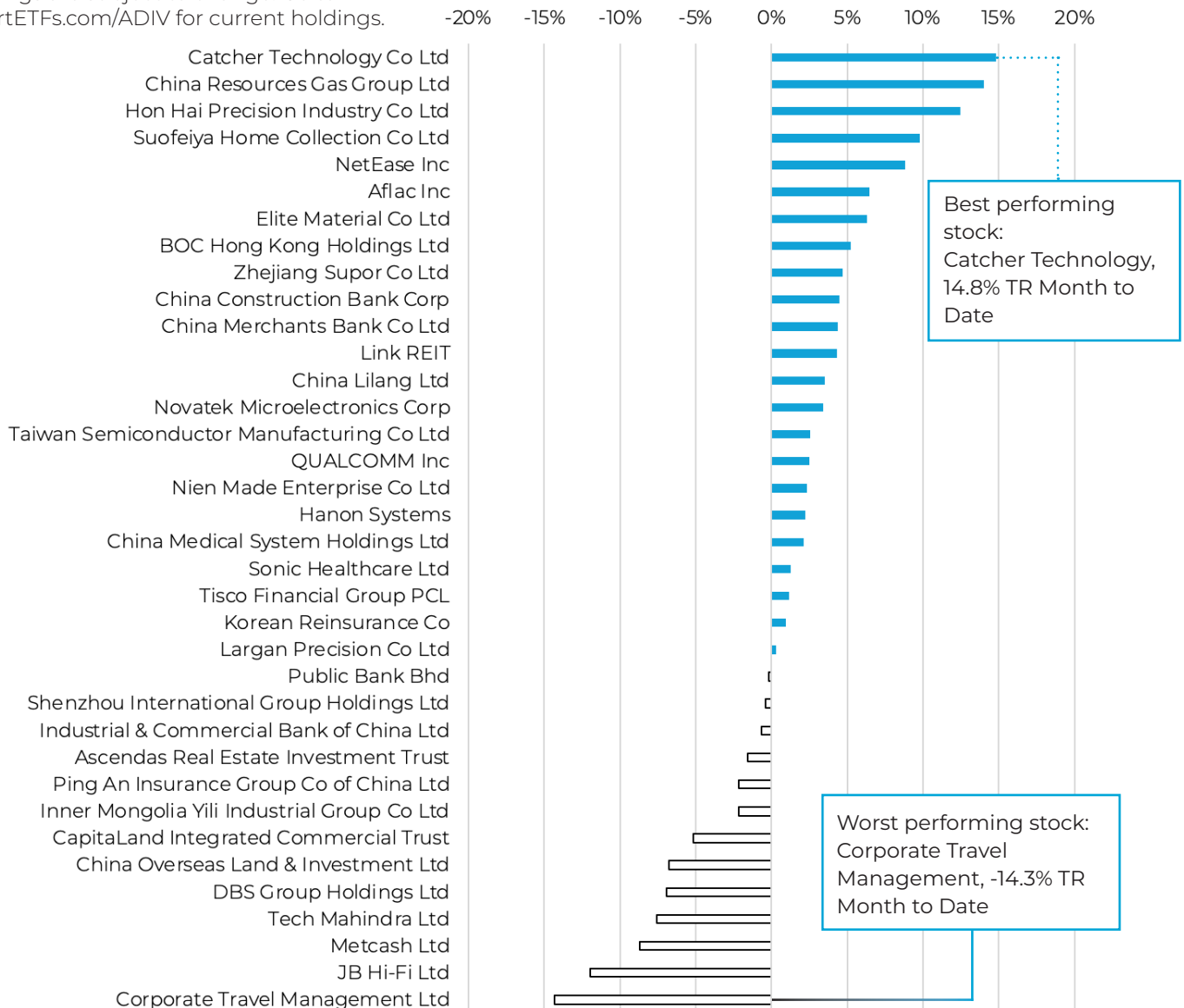
### Portfolio Performance

as of 5/31/2022

ADIV rose 0.88% (NAV basis) in May, underperforming its index, the MSCI AC Pacific Ex-Japan index, which rose 1.08%. After a volatile month in April, a recovery came in May. While aggregate performance was marginally positive, performance across the region was more mixed. Support for the market came in the form of comments from US Federal Reserve Chair Jerome Powell steering away from an aggressive rate hiking path. Better news came from China on Omicron-led lockdowns also helped to boost sentiment in markets.

The best performing sectors over the month were Energy, Information Technology and Utilities. The weakest sectors were Health Care, Consumer Staples, and Communication Services. From a country perspective, the best performers were Taiwan (+3.2%), Hong Kong (+2.4%) and Thailand (+2.0%). The weakest country was India (-5.9%), followed by Indonesia (-4.0%) and Malaysia (-3.1%).

Holdings are subject to change. Go to [SmartETFs.com/ADIV](https://SmartETFs.com/ADIV) for current holdings.





#### Portfolio Performance

The best performing stock in May was [Catcher Technology](#). Recent results have been positive, but the company is still at a delicate point in its history, as it undergoes a transition in the technology sectors in which it manufactures. Nevertheless, managements' comments regarding a measured approach towards allocating capital give us greater confidence that shareholder interests will be well treated.

The weakest stock was [Corporate Travel Management](#) whose management said that business was recovering faster than rivals, but staff shortages and pandemic issues continue to impact operations. The company softened the guidance it had issued in February as these issues are stretching for longer than anticipated. They are recruiting in May and June to resolve the staffing shortage. While this weighed on the share price this month, we expect investors will look through this. The stock is still in the Fund's top 15 performers this year; we do not however, expect the company to pay a dividend this year.



#### Portfolio Performance

As of 05/31/2022	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	-8.73%	-9.76%	9.20%	6.37%	7.73%
ADIV at Market Price	-9.12%	-9.97%	9.19%	6.37%	7.73%
MSCI AC Pacific Ex-Japan NR	-10.71%	-21.10%	5.72%	4.42%	6.04%

As of 03/31/2022	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	-4.94%	-2.84%	8.52%	8.18%	7.26%
ADIV at Market Price	-5.59%	-3.75%	8.42%	8.12%	7.23%
MSCI AC Pacific Ex-Japan NR	-6.20%	-13.82%	5.32%	6.35%	5.50%

Expense Ratio: 0.78% (net) | 4.27% (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, 2025.

*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.



## Relevant Issues & Events

- COVID lockdowns in Shanghai look set to ease in June, but cases are still not under control in Beijing. The absolute number of cases is comparatively low and tensions within the leadership are mounting, led by Premier Li Keqiang, over the economic costs of Xi's zero-COVID policy.
- Australia's Labor party returned to power after 10 years. They took a tougher line on China during the election but may resume dialogue.
- President Biden visited the region. The US-led Indo-Pacific Economic Framework with 13 nations was agreed; it is seen as a counterweight to China, although it lacks concrete security agreements. This is a step forward following the US withdrawal from the Trans-Pacific Partnership 5 years ago. The visit by US President Biden to the region marks a visible re-focusing by the Administration on the region after a turbulent period under Donald Trump. The Indo-Pacific Economic Framework that has been established between the US and 12 countries in the region, has been criticized in some quarters as lacking substance. It is true this is not a trade agreement, nor does it contain specific security measures. However, it does mark a re-engagement with Asia. The US is hoping to finalize details for each of the four pillars of the framework over the next 12 to 18 months.
- Food protectionism is on the rise as Asian nations seek to control domestic prices for essentials. Export bans have been proposed or established by India on wheat, Indonesia on palm oil, and Malaysia on poultry.
- Thailand is easing COVID curbs in the leisure sector. Government figures report 1 million tourists have visited Thailand this year; pre-pandemic the country received 40 million visitors a year.
- India was the weakest market over the month. Higher energy prices have been a notable drag for the country (a significant oil importer), as crude oil has continued to rise. In response, the Indian government announced a cut to excise duty for petrol and diesel. Export duties on steel products have also been imposed to offset higher embedded energy costs. Inflation has been running relatively hot, compared with the rest of the region, with consumer price index reaching 7.8% in April. Policy rates were hiked 40 basis points by the Reserve Bank of India, surprising the market, to an extent pre-empting higher rates from the US Fed. Nevertheless, the currency weakened by 1.6% over the month.
- Comments by policymakers at the Federal Reserve indicated that interest rates may follow a less aggressive path than the market had feared. While expectations are for 50 basis point hikes in the upcoming June and July meetings, a "pause" could occur in September to assess the impact of higher rates on the economy and inflation (instead of the 25-basis point rise the market had been pricing in). Inflation, as measured by the Fed's preferred gauge: personal consumption expenditure (PCE), fell to 6.3% in April from 6.6% in March, which could suggest a peak has been reached. However, it is debatable the extent to which this has been driven by higher interest rates suppressing demand and how much has been

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#### Relevant Issues & Events (continued)

caused by supply factors. Wage growth is also likely to cause inflation to be stickier, preventing it from falling back more quickly.

As mentioned, oil continued its strong upward trend, Brent crude rising 12.5% over the month to end at \$119.9/bbl. Prices have continued to hold up so far in June, with the opening in China expected to provide a meaningful contribution to demand. Political pressure in response to Russia's invasion of Ukraine culminated in Europe imposing a partial ban on Russian oil imports.

Cost price inflation pressure in the semiconductor industry has been reaffirmed with news that Samsung is discussing price increases up to 20%, with less sophisticated chips likely to increase the most. This follows Taiwan Semiconductor's (TSMC's) announcement of 5%-8% price increases in 2023 that follow a 20% increase last year. These companies are facing rising costs in all areas, including chemicals, gas, wafers, equipment, construction materials and logistics. Tight semi-conductor supply gives these businesses significant pricing power against a backdrop of intense industry competition. Samsung's semiconductor revenues overtook those of Intel last year and the company has TSMC in its sights although Samsung's production yields for the most advanced chips are not yet as good.



Image Source: TSMC (left), Samsung (right)

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#### 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.

MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings. With 740 constituents, the index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization.

US Dollar Index (DXY) is an index of the value of the United States dollar relative to a basket of foreign currencies.

Basis Points (BPS) refers to a common unit of measure for percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Earnings Growth is the annual compound annual growth rate of earnings from investments.

Characteristics of a company as an underlying security in the Fund's portfolio do not represent or predict the performance of the fund or any security.

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.

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](http://www.SmartETFs.com). Read the prospectus or summary prospectus carefully before investing.**

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