



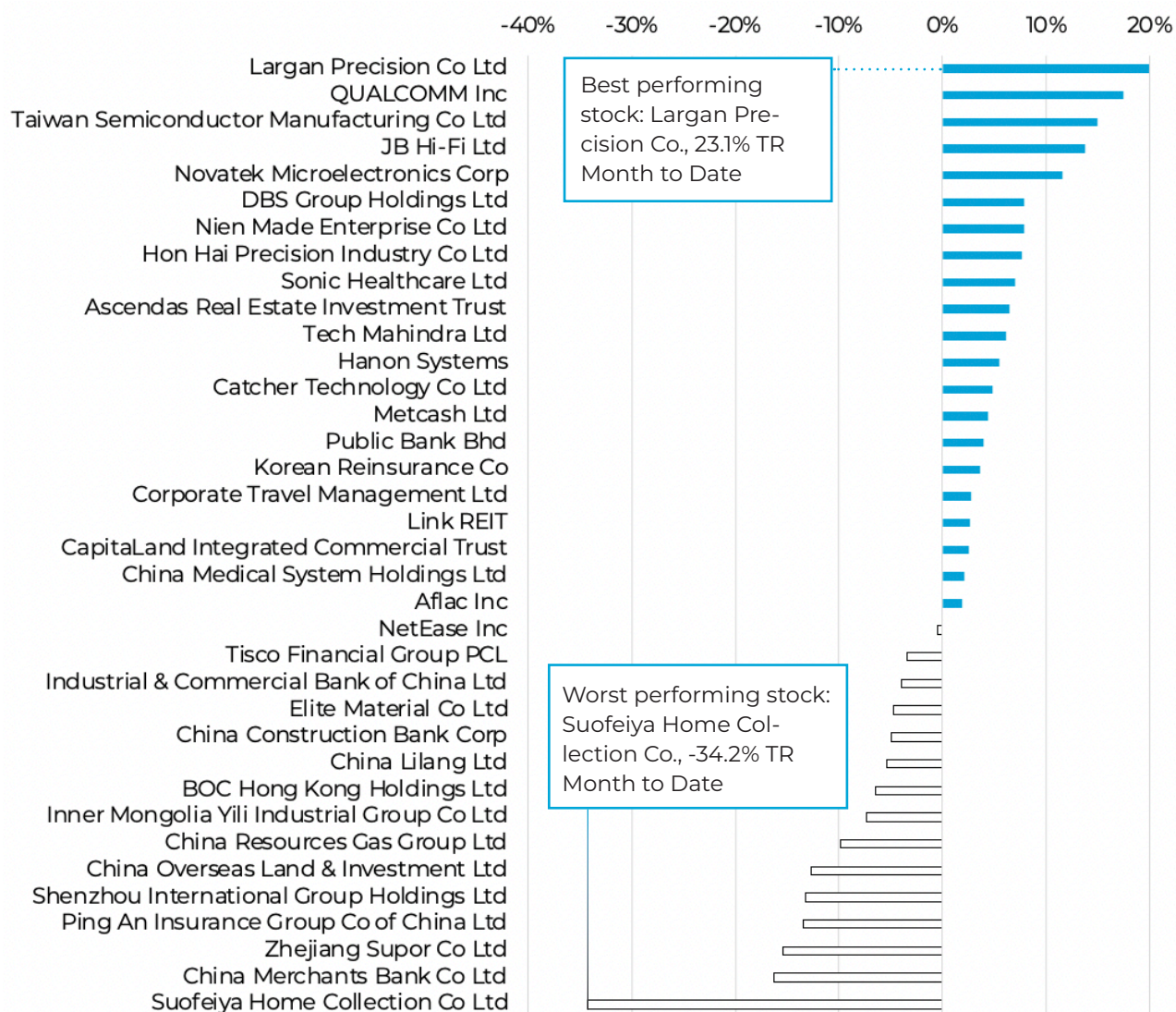
Portfolio Performance

as of 7/31/2022

ADIV fell -2.20% on a NAV basis in July, -2.47% on a market price basis. A relatively dovish outlook on interest rates from the US Federal Reserve at the end of July and a lower 10-year US Treasury yield lifted markets. In Asia, India was the strongest up 9.2% followed by Australia up 6.6%, Singapore up 6.0% and Korea up 5.9%. China, however, was the biggest decliner down -9.4%, which dragged the benchmark into negative territory, followed by Hong Kong down -3.6% and Thailand down -1.9%. China weakness marked a reversal from June and was driven by concerns over property and a lower growth outlook.

The strongest sectors were Technology, Health care and Industrials. The weakest were Consumer discretionary, Communication Services and Real Estate. The rebound in technology reflected a sector rally globally and was supported in Asia by better guidance and outlook from the leading semiconductor names in Korea and Taiwan. There was also stronger news flow on Chinese electric vehicle and battery names. However, China internet and e-commerce names dropped back on US-listing concerns that have re-emerged in recent days.

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





Portfolio Performance

The best performer was **Largan Precision**, a Taiwanese manufacturer of high-end camera lenses and modules for smartphones. The company has seen pressure on operating margins along with the rest of the sector, but they are some 20% higher than those of the nearest competitor. The reason is Largan's technology and manufacturing advantage. For example, on the technology front, Largan was the first company able to produce an eight-element (8P) lens to tie up with the 108-megapixel sensor launched in 2019. It will be the first company to produce a 9P lens which could be adopted by phone makers next year. Its production techniques also give it an advantage, allowing Largan to produce plastic lens arrays with high production yield (i.e. with fewer faults in production). After the second quarter results, which showed resilience after declines over the past 18 months, investors are now looking toward a handset upgrade trend and a recovery as early as Q1 2023.

Suofeiya Home Collection fell back after strong performance in June. Earnings forecasts for this year have been revised down in response to the COVID lockdowns earlier this year. The market, however, is probably more concerned by continuing pressure in the property developer channel. Management continues to argue that their multi-channel strategy and expansion should continue to reduce dependence on sales to property developers and increase growth from the retail channel. Management's optimism was indicated earlier this year with the decision to maintain the 2021 dividend despite reported profit for the year being hit by a debt write-off from the developer channel.



Portfolio Performance

As of 07/31/2022	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	-14.98%	-12.21%	4.90%	3.69%	6.50%
ADIV at Market Price	-15.04%	-12.50%	5.02%	3.75%	6.53%
MSCI AC Pacific Ex-Japan NR	-16.76%	-20.36%	1.29%	1.55%	4.49%

As of 06/30/2022	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	-15.71%	-25.33%	1.39%	2.80%	5.04%

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.



Company Results

Most of our companies have not yet reported results, but so far, we are happy with what we have seen.

Largan Precision, the Fund's best performing stock in July, reported a sharp increase in second quarter revenues and expects revenue growth to continue through the third quarter. Largan leads the field in smartphone camera lens technology and production know-how, which supports much higher margins than its peers. The last eighteen months have seen little sales growth as higher end smartphones have focused on display and processor technology. There are now rising expectations for smartphone camera upgrades amongst Android phone customers including higher resolution, larger aperture, and larger sensor size.

Ascendas REIT reported interim results which included a 6% increase in distributable income. Occupancy rates for the Singapore portfolio increased to 91.9%, while in Australia, Europe and the US occupancy is between 95% and 98%. Borrowing stands at 37% of equity and the weighted average maturity of the debt is 3.9 years.

Capitaland Integrated Commercial Trust has had a tough couple of years, but we have held on in anticipation of the recovery which is now coming through. The first half dividend was only 0.8% higher than last year, but results in 2022 are expected to be weighted into the second half due to timing of rental payments and impact of fit out periods in Asia Square Tower 2, Six battery road, and CapitaSpring. Occupancy rates are expected to hit their committed levels of 98%, 84% and 99.5% respectively in the second half of the year. Taking a step back from the detail, the upturn in Singapore's office market enabled rent renewal rates to increase by 8.5% and on the retail side, tenant sales continue to pick up.

Elite Material is a leading supplier of laminates which are the main construction material for printed circuit boards. The stock has struggled this year as the outlook for consumer electronics, especially higher end smartphones, has weakened. Production in Kunshan was also temporarily shut down due to COVID. This has caused earnings forecasts to be downgraded by the market. However, at the results presentation, the company provided a better outlook than had been feared. New project wins and more resilient demand from their server business could see revenue growth resume in August along with a higher margin. We are happy to look through the current soft patch: there is a long-term structural growth story with major upgrades coming in server platforms and switches requiring the highest quality materials and thus higher selling prices.

Tech Mahindra reported stronger-than-expected revenue growth, but lower-than-expected profit growth. The company experienced higher attrition last year resulting in lower utilization this year as new recruits have been trained. The CEO addressed this in a recent interview following the latest results noting that they had hired 10,000 new graduates last year, that attrition rates were coming down (in contrast to the sector) and that he expects to see margin improvements over the next three quarters following the drop to 11% from 15% a year ago.



Outlook

Economic and market conditions remain volatile. Statements from the Federal Reserve following the recent interest rate rise were interpreted as becoming more moderate and therefore, that inflation may be coming under control. In our view, this may be a bit early and recent comments coming from Board members appear to be rowing back from that. The outlook for semiconductors has been said to be improving, but company comments in the last couple of days suggest that might not be the case. In short, high frequency data and swift changes in sentiment make tactical positioning a high-risk approach.

We are looking to identify structural stories that will play out over the next three to five years and identify companies with financial resilience and pricing power management skill to navigate this environment. Dividend trends take on greater importance as a signaling mechanism with which to gauge management confidence and company performance. Our process is built on the pillars of Quality, Value, Dividends and Conviction which have served the Fund well over periods of great change, and we shall make sure we stick to those principles now.

There's more where that came from!

Want to hear more about your favorite ETFs? Sign up to receive our monthly "SmartETFs Roundup" newsletter at SmartETFs.co/newsletter or follow us on Twitter [@SmartETFs!](https://twitter.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.

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.