

# ADIV

## The SmartETFs Asia Pacific Dividend Builder ETF

April 2021 Update

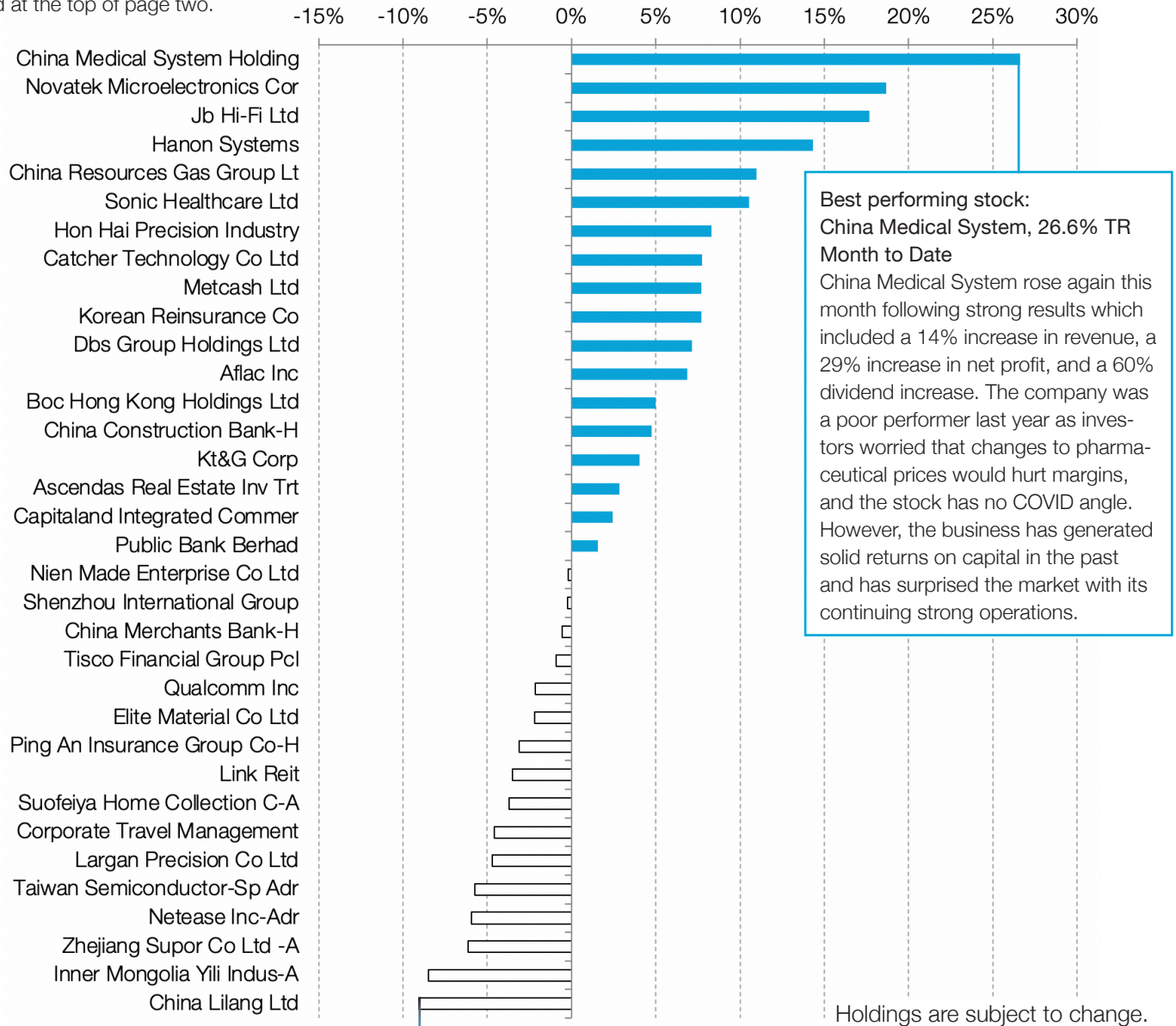


SmartETFs

### Portfolio Performance

as of 03/31/2021

Hello World! The Asia Pacific Dividend Builder is now ADIV, the SmartETFs Asia Pacific Dividend Builder ETF. Same holdings...same management team. Same focus on quality, Asian dividend-paying stocks. ADIV looks just a bit more stylish as an ETF. ADIV benefited from holding more dividend-oriented value stocks, which outperformed the more growth oriented Asian stocks during March. For the first quarter of 2021, ADIV produced a total return of 8.86% (NAV and market price return). More performance information can be found at the top of page two.



**Best performing stock:**  
**China Medical System, 26.6% TR Month to Date**  
 China Medical System rose again this month following strong results which included a 14% increase in revenue, a 29% increase in net profit, and a 60% dividend increase. The company was a poor performer last year as investors worried that changes to pharmaceutical prices would hurt margins, and the stock has no COVID angle. However, the business has generated solid returns on capital in the past and has surprised the market with its continuing strong operations.

**Worst performing stock: China Lilang Ltd., -9.1% TR Month to Date**  
 China Lilang reported weaker second half results that shows a slower than expected recovery in the smart/casual clothing segment. Net profit was down 33%, but the company decided to increase the proportion of profit it normally distributes as a dividend by 10% above its normal run rate, to 90%. Sales are on a recovery path, albeit slower than expected. We take the effort to limit the decline in the dividend to 13% as a positive statement from management.

Holdings are subject to change.

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### Portfolio Performance

As of 03/31/2021	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	8.86%	57.17%	7.65%	12.44%	7.24%
ADIV at Market Price	8.86%	57.17%	7.65%	12.44%	7.24%
MSCI AC Pacific Ex-Japan NR	2.48%	57.11%	9.05%	13.28%	6.44%

Expense Ratio: 0.78% (net) | 4.97% (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, 2024.

*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.*

On March 26, 2021, the fund acquired the assets and adopted the performance history of the Guinness Atkinson Asia Pacific Dividend Builder Fund, an open-end mutual fund. The investment goals, strategies and policies of the fund are substantially similar to those of the predecessor fund. Performance information for periods prior to March 26, 2021 is based on the performance history of the predecessor fund and reflects the operating expenses of the predecessor fund.

### Interesting News

- Dividend-oriented value stocks had a strong month in March. Market sentiment has turned against higher growth names in Asia. Leading technology stocks such as Tencent and Alibaba (not held in ADIV due to the absence of a meaningful dividend) are facing ever closer regulatory scrutiny in China, and a renewed focus on alleged monopolistic practices. Other growth names have also struggled as investor preferences appear to have switched from the prospect of higher cash flows at some future date, to higher cash flows today.
- Asia's experience of the COVID pandemic, especially North Asia, has been substantially better than many other areas of the world. Lockdowns have been far fewer and less extensive, meaning the degree of government support required and government debt accumulated has been much lower. Economic performance has been stronger in North Asia (China, Hong Kong, South Korea, and Taiwan) than in the South. This strength has been evident in manufacturing, technology, and trade. Consumer spending is still more fragile, as we have seen in the performance of China Lilang, our weakest performer this month. However, better trade and manufacturing is pushing consumer confidence steadily higher, and we look for this sector to pick up further this year.

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### Disclosure

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. For more information on the risks of investing in this Fund, please see the prospectus.

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

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