ADIV

The SmartETFs Asia Pacific Dividend Builder ETF

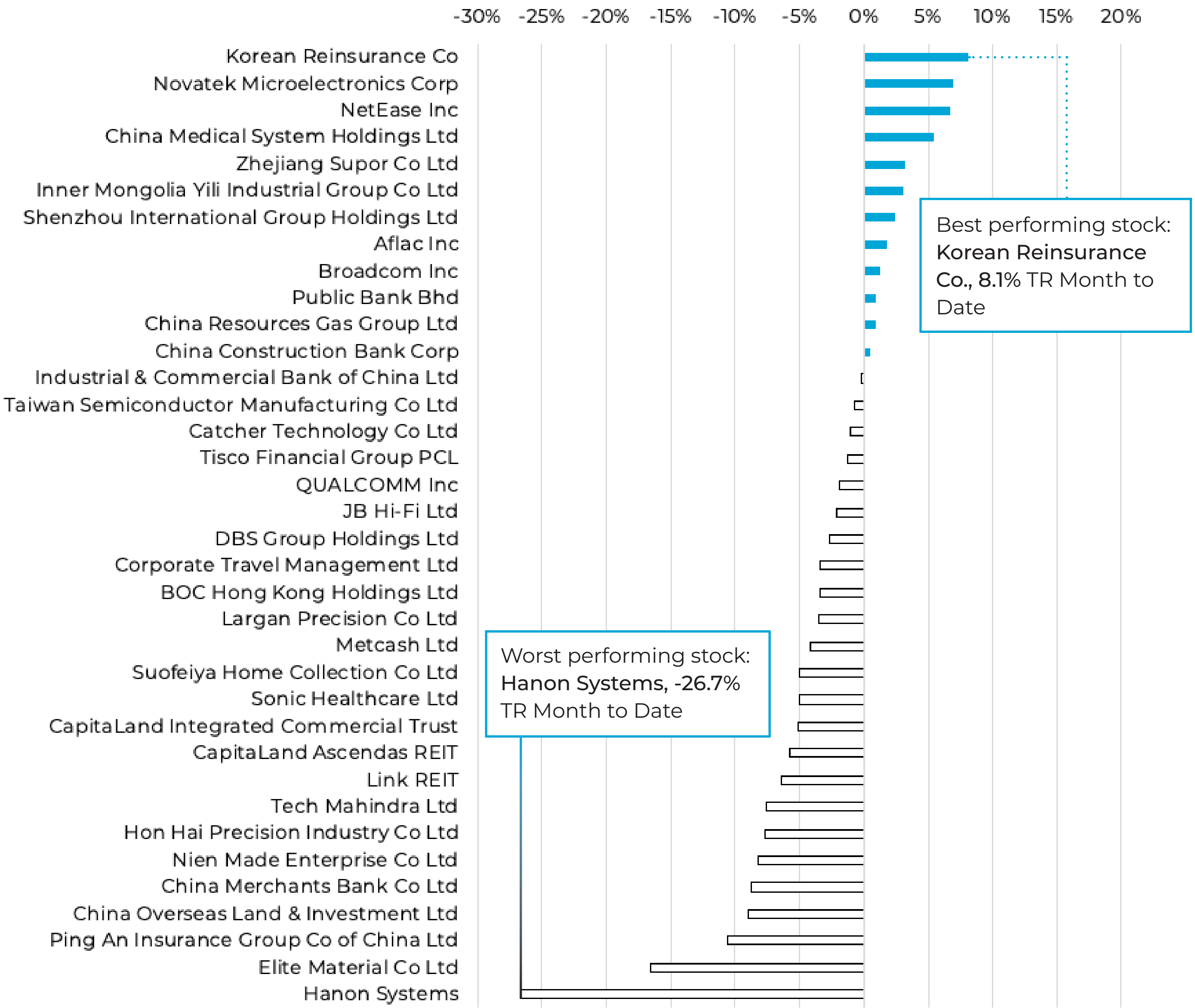
November 2023 Update

Portfolio Performance

as of 10/31/2023

ADIV fell -3.15% on a NAV basis in October, -2.71% on a market price basis, outperforming the MSCI AC Pacific ex Japan Net Total Return Index benchmark which fell -4.28%. October was weak month for global markets as expectations of interest rates staying higher for longer were absorbed. Earnings forecasts for the US, UK, and Asia were cut back for each of the next three years. In Asia, earnings forecasts were cut in October by -1.3% to -1.7% for 2023 to 2025. Earnings growth is currently forecast to be -9% for 2023 and then to rise by 20% in 2024 and by 14% in 2025. The heaviest estimate cuts during the month, of -1.5% to -3% were in China, Hong Kong, Korea, Indonesia, and Malaysia. Australia, Taiwan, and Thailand were the three markets to see modest increases to estimates. The Fund has done well to navigate this environment and, even after a decline in October, it has proved to be defensive once again beating its benchmark and delivering performance for the year to date that is still positive. Read on for our macro take on Asian markets, our fund review of ADIV, and our latest and greatest insights.

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



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Portfolio Performance

As of 10/31/2023	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	0.22%	18.43%	2.84%	4.25%	4.65%
ADIV at Market Price	1.07%	18.97%	2.81%	4.23%	4.64%
MSCI AC Pacific Ex-Japan NR	-5.99%	13.09%	-5.86%	1.41%	1.82%

As of 09/30/2023	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	3.48%	16.01%	3.51%	2.68%	5.28%
ADIV at Market Price	3.89%	16.88%	3.32%	2.57%	5.22%
MSCI AC Pacific Ex-Japan NR	-1.79%	11.80%	-3.68%	0.05%	2.70%

Expense Ratio: 0.78% (net) | 4.94% (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, 2026.

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.

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ADIV Macro Magic

The US Treasury yield curve flattened during September and October but not in the way investors would like: yields on long dated bonds have moved higher, rather than short term rates coming down. The driver has been an expansion in the term premium, which is the extra risk associated with holding a long-dated security versus holding short-dated securities and then reinvesting. This reflects expectations that interest rates will not come down as quickly as hoped. The impact has been felt in equity markets through cuts to earnings forecast and through valuation contraction as risk-free rate assumptions have had to be revised.

We have discussed China-specific macro risks extensively in previous reports, but it is worth noting that there are some signs that the raft of administrative, fiscal, and monetary support efforts in recent months are beginning to bear fruit. GDP growth in the third quarter was stronger than expected at 4.9% and we think it likely that China will beat its 5% full year growth target.

We think that political concerns may ease somewhat as we approach a Biden-Xi meeting in San Francisco in November. The spy balloon incident in February delayed this process but since then, visits to China by the US Secretary of State and the Director of the CIA among others as well as the meeting in Vienna between the head of the National Security Agency and his Chinese counterpart indicates that diplomatic channels are open at the highest level.

This does not mean that we expect there will be a sharp change in direction, but in a year that includes ongoing war in Ukraine compounded by war in the Middle East, greater stability in the relationship between China and US would be very welcome. The Asian region is not itself directly exposed to the war in Gaza but is exposed, along with everyone else, to an expansion and to the risk of disruption to oil supplies.

The outlook for global growth has certainly deteriorated in recent months as central banks continue to battle inflation. Pulling in the opposite direction is the election cycle, most notably in the US where stronger domestic activity naturally favors the incumbent. We do not make calls on cycles, economic or political, but for the Asia region we do consider the outlook for global consumer demand and for trade since Asia is a center for manufacturing. Maersk is one of the largest container shipping companies handling one in very six containers worldwide; it forecasts a trade contraction of -0.5% to -2% this year and expects container shipping to remain weak until 2026.

Our view is that conditions will remain difficult to navigate. In terms of investment outcomes, this means that profits, cash flows and dividends will be the drivers of returns. Valuation expansion, based on the prospect of earnings to come, is a feature of a low cost of capital and bull markets which we think are unlikely much before 2025.

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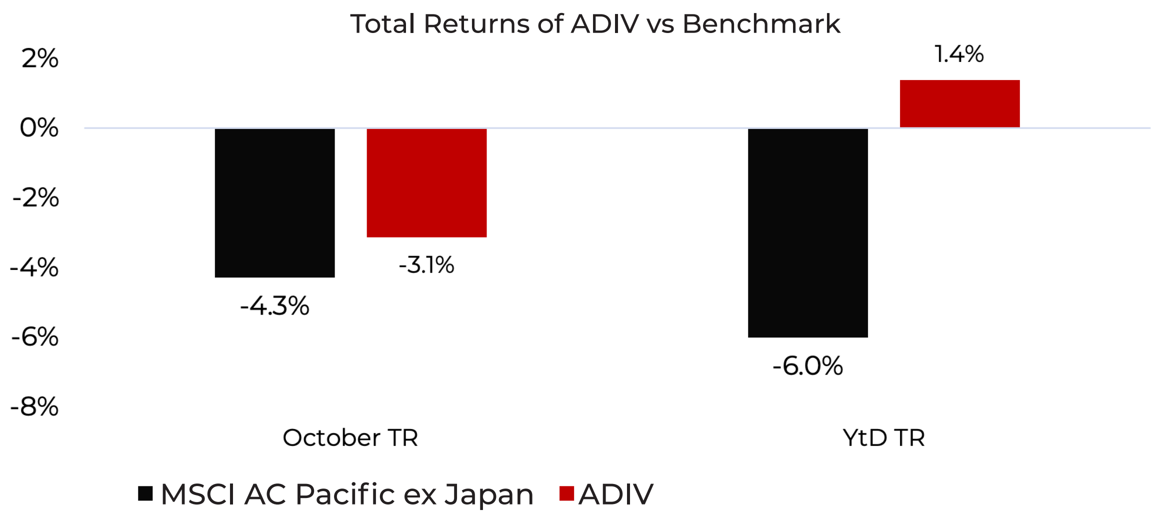
Fund Review



Source: MSCI, SmartETFs. Data as of October 31, 2023.

Earnings revisions for the Fund held up better in October, as they did during the third quarter. During the month, earnings estimates for the Fund have been cut -0.3% for 2023 and -1.1% for 2024 and 2025. Market estimates have been cut -1.3% for 2023, -1.5% for 2024, and -1.7% for 2025. The biggest rises have been for Elite Material, Taiwan Semiconductor Manufacturing (TSMC), and for CapitaLand Ascendas REIT. The biggest cuts have been to Ping An Insurance, Hanon Systems, and to Tech Mahindra.

Most sectors contributed to outperformance. Only Consumer Discretionary, Technology and Real estate detracted. Leading contributions came from Communication Services, Consumer Staples and Financials. Not holding anything in Industrials, which was the weakest sector, also helped.

Stock selection is the main driver of the Fund's returns given our bottom-up approach and the concentrated, equal weighted portfolio structure. Looking at the contributors to and detractors from relative performance:

Contributors

Communication Services contributed almost 0.5% of outperformance this month and was entirely due to our holding in NetEase which rose 6.8%. Tencent, which fell -5.5% and Baidu, down -21.8% and NetEase account for almost 90% of the entire sector. Inner Mongolia Yili, a Chinese diary producer was the main contributor for consumer staples. Among the Financial exposure the positive contributions came from insurers Aflac and Korean Reinsurance. The Chinese state banks made small additional contributions while Ping An Insurance and China Merchants Bank were the two detractors.

continued on following page...

Fund Review (continued)

Detractors

The Consumer Discretionary sector detracted but within our holdings Hanon Systems cost -0.6% of relative performance with other holdings (Corporate Travel, JB HiFi, Shenzhou International) offsetting to bring the overall drag down to -0.1%. Hanon is an auto parts maker deriving 26% of its revenue from the US where strikes from the United Auto Workers (UAW) have hit production. Ford, a major customer of Hanon's in the US, has now reached an agreement with the Union.

There's more where that came from!

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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.

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 anad 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.