



Portfolio Performance

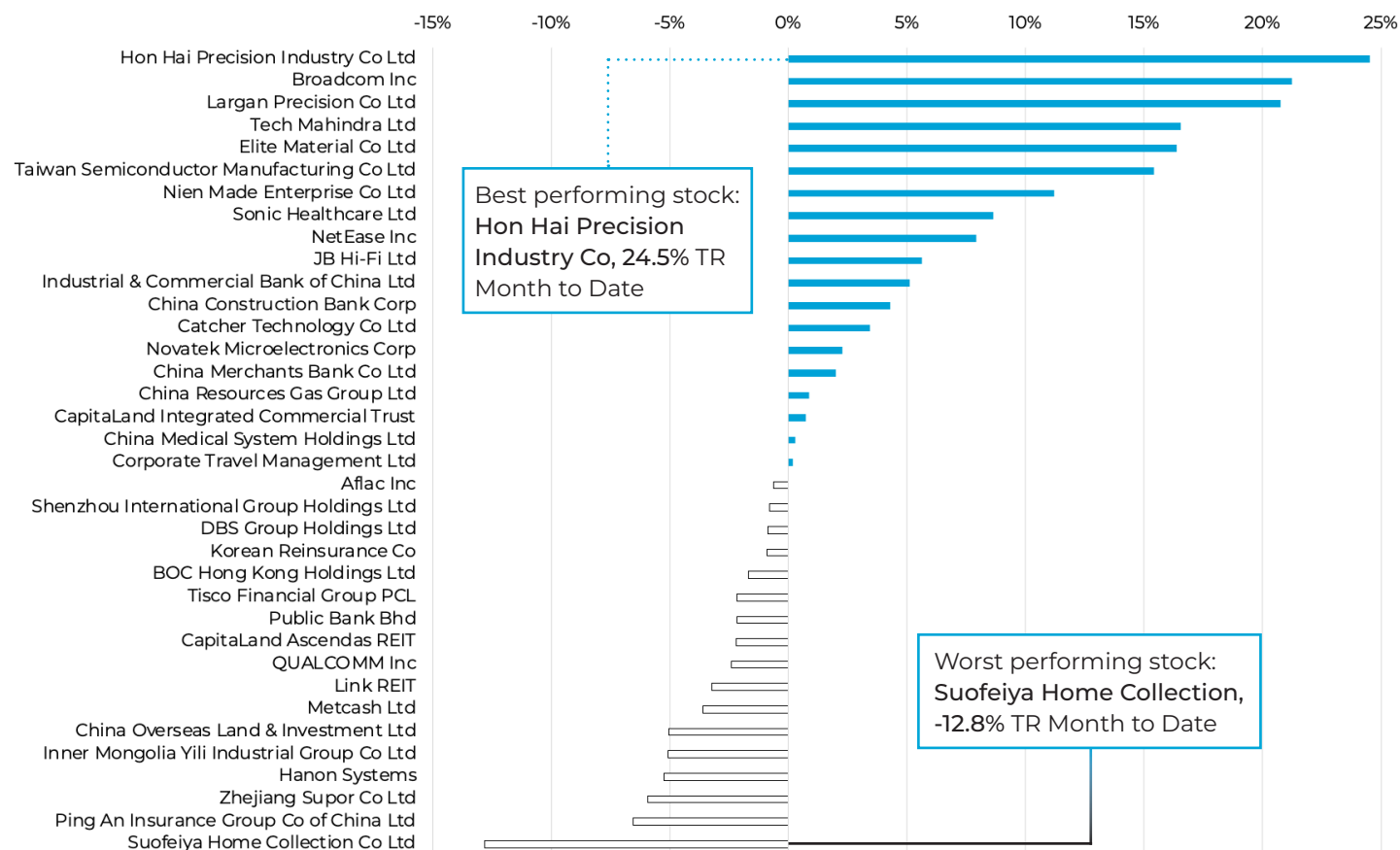
as of 06/30/2024

ADIV underperformed the index in June, delivering 2.56% on a NAV basis, and 2.36% on a market price basis, while the MSCI AC Pacific ex Japan Net Total Return Index benchmark rose 3.20%. Year to date, ADIV delivered 5.86% on a NAV basis and 5.51% on a market price basis, while the benchmark rose 6.82%.

The first six months of 2024 have been eventful ones in Asia. During the period, we've seen elections across several countries including India and Taiwan. In India, Narendra Modi won a third term, but a narrower-than-expected win led to a sharp albeit temporary drop in investor confidence. In Taiwan, Lai Ching-Te of the Democratic Progressive Party (DPP) beat out the China-favoured candidate to become the new president, leading to investor concerns of further geo-political tensions along the Strait, as well as between the US and China.

Higher US interest rates have raised concerns about slowing Asian economies and significant currency depreciation, particularly in Japan. Our Fund holds shares in Aflac, which has significant revenue exposure to Japan, and the weakening Yen could impact the Taiwanese Dollar and Korean Won. Japan is seeing renewed interest in its companies due to corporate reforms, while Korea is addressing similar issues amid complex governance structures. In China, economic challenges persist, but the government is making efforts to aid recovery through measures like a RMB 1 trillion stimulus package and lifting home purchasing restrictions. Despite falling levels of foreign direct investment (FDI) in China, there is optimism due to growth in manufacturing FDI, indicating progress in China's move up the value chain. Read on for more ADIV.

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

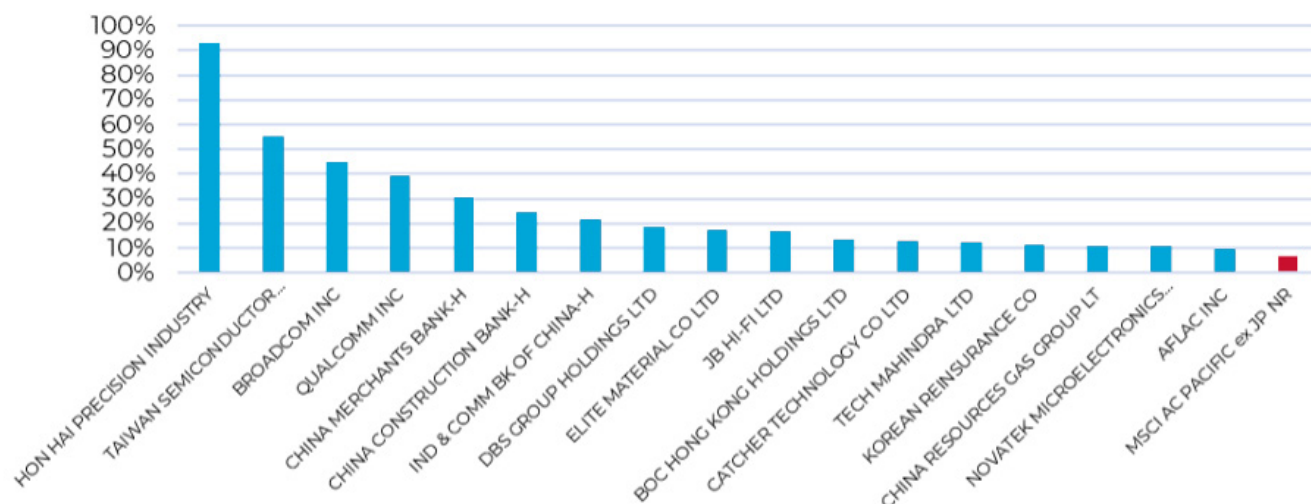


Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the 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 over 1H 2024

Year to Date Outperformers



Source: Bloomberg, Guinness Atkinson Funds, SmartETFs. Data as of June 30, 2024.

Outperformers

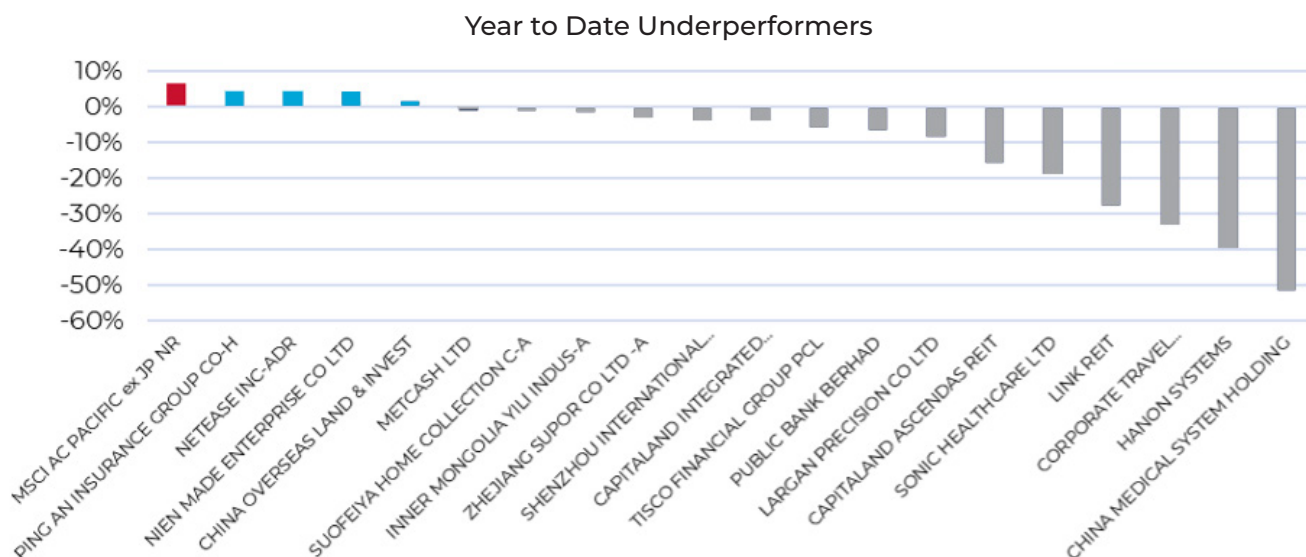
On a year-to-date basis, the Fund's outperformers can be grouped into two key sectors. Of the seventeen out of our thirty-six portfolio names that outperformed the Fund's benchmark, eight lie in the Information Technology sector and seven in Financials. At this point, the drivers of the Information Technology sector are well known; interest in AI continues to drive up investor excitement, leading to valuation re-ratings for companies up and down the vertical. The Fund itself has benefited from holding names related to the chip side of the industry (TSMC, Elite Material, Broadcom). The top performer on both a monthly and year-to-date basis, Hon Hai Precision, while historically known as a major assembler for Apple's products, has benefited from a shift in focus to the company's server business where it enjoys dominant market share of rack system server assembly and notable wallet share with leading Cloud Service providers, as well as its partnership with Nvidia.

By sector, Financials also contributed the most to our year-to-date total returns (>2%). What's more, all four of our Chinese and Hong Kong banks (China Construction Bank, China Merchants Bank, Industrial and Commercial Bank of China and Bank of China Hong Kong) have outperformed the benchmark on a year-to-date basis. There has been concern around China's weak property sector bleeding into the wider financial system. However, developer loans and bonds make up less than 5% of aggregated banking assets and broadly speaking, Chinese banks are pointing to stabilizing Non-performing Loan (NPL) metrics related to developers. The banks within our portfolio have also provided incrementally more positive guidance for the fiscal year. Both China Construction Bank and China Merchants Bank are guiding to the decline in Net Interest Margin moderating driven by ongoing deposit-rate cuts, and the latter has also announced plans to start paying an interim dividend.

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Portfolio Performance over 1H 2024



Source: Bloomberg, Guinness Atkinson Funds, SmartETFs. Data as of June 30, 2024.

Underperformers

Weaker Chinese market performance has continued to persist so far this year. However, despite nine of our nineteen underperformers coming from China and Hong Kong, these two regions both only detracted 0.3% each from the Fund's total returns. Instead, Australia and South Korea have been the two largest detracting countries. In both cases, this has been driven by idiosyncratic problems from one particular company- Corporate Travel Management for Australia, and Hanon Systems for South Korea. By sector, Healthcare was our biggest detractor. Similarly to Australia and South Korea, the detraction was driven primarily by one company: China Medical Systems. We have noted the performances of these companies earlier in the year but leave a short reminder of these companies below.

[Corporate Travel Management](#) disappointed the market earlier in the year with lower 2024 earnings guidance as a result of higher airline costs and underperformance of its UK government contract. Management did indicate easing macro headwinds, provided a more optimistic tone around the second half of the fiscal year (January-June), and outlined a 5-year plan to double earnings. However, investors remain cautious, and we continue to monitor the situation.

[Hanon Systems](#) has been suffering from sub-optimal capacity production driven by slower customers' sales and higher materials and logistics costs, but these pressures appear to be easing. The company has focused on labour and supply chain streamlining to focus on improving profitability and customers' order volume seems to be improving. There has been some dilution as Hanon announced an 11% equity raising, allocated to Hankook Tyre for debt redemption. The thesis for this stock remains growth in EV take up and easing cost pressure.

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ADIV

The SmartETFs Asia Pacific Dividend Builder ETF

July 2024 Update



Portfolio Performance over 1H 2024

[China Medical Systems](#) is a leading pharmaceutical licensor in China with growing in-house R&D and a strong sales network. However, reported 2023 results were far below market expectations, driven by larger-than-expected price cuts related to China's volume-based procurement programme (VBP) and lower sales of non-VBP drugs as a result of the anti-graft campaign. This resulted in a sharp sell-off, which we believe more than reflects the changed outlook of the business.

Portfolio Performance

As of 06/30/2024	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	5.86%	14.07%	-0.79%	5.75%	6.10%
ADIV at Market Price	5.51%	13.47%	-1.05%	5.65%	6.05%
MSCI AC Pacific Ex-Japan NR	6.82%	9.41%	-6.83%	2.45%	3.29%

Expense Ratio: 0.78% (net) | 5.08% (gross)

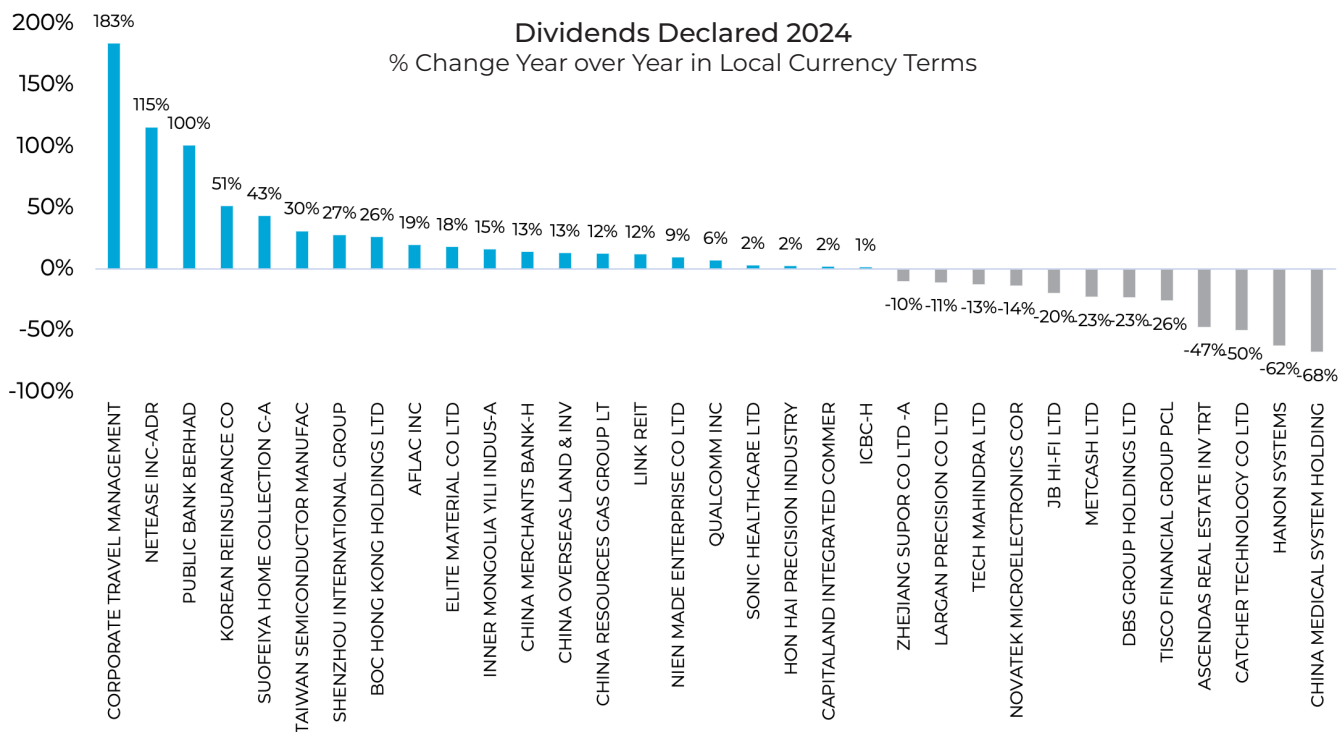
The Adviser has contractually agreed to reduce its fees and/or pay ETF expenses in order to limit the Fund's total annual operating expenses to 0.78% through June 30, 2027.

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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



Source: SmartETFs, Guinness Atkinson, Company Reports. Data as of June 30, 2024.

All our companies have now declared dividends in 2024, with twenty-three raising their dividend per share (DPS), one keeping their DPS flat, and twelve lowering their DPS. Metcash reported its final fully franked dividend to AUD\$0.085 (\$0.057 USD) per share. While this is 23% lower than a year ago, it is still above sell-side estimates and remains in line with the company's annual payout target of c70% underlying net profit after tax.

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/)

ADIV

The SmartETFs Asia Pacific Dividend Builder ETF

July 2024 Update



SmartETFs
by Guinness Atkinson

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.