

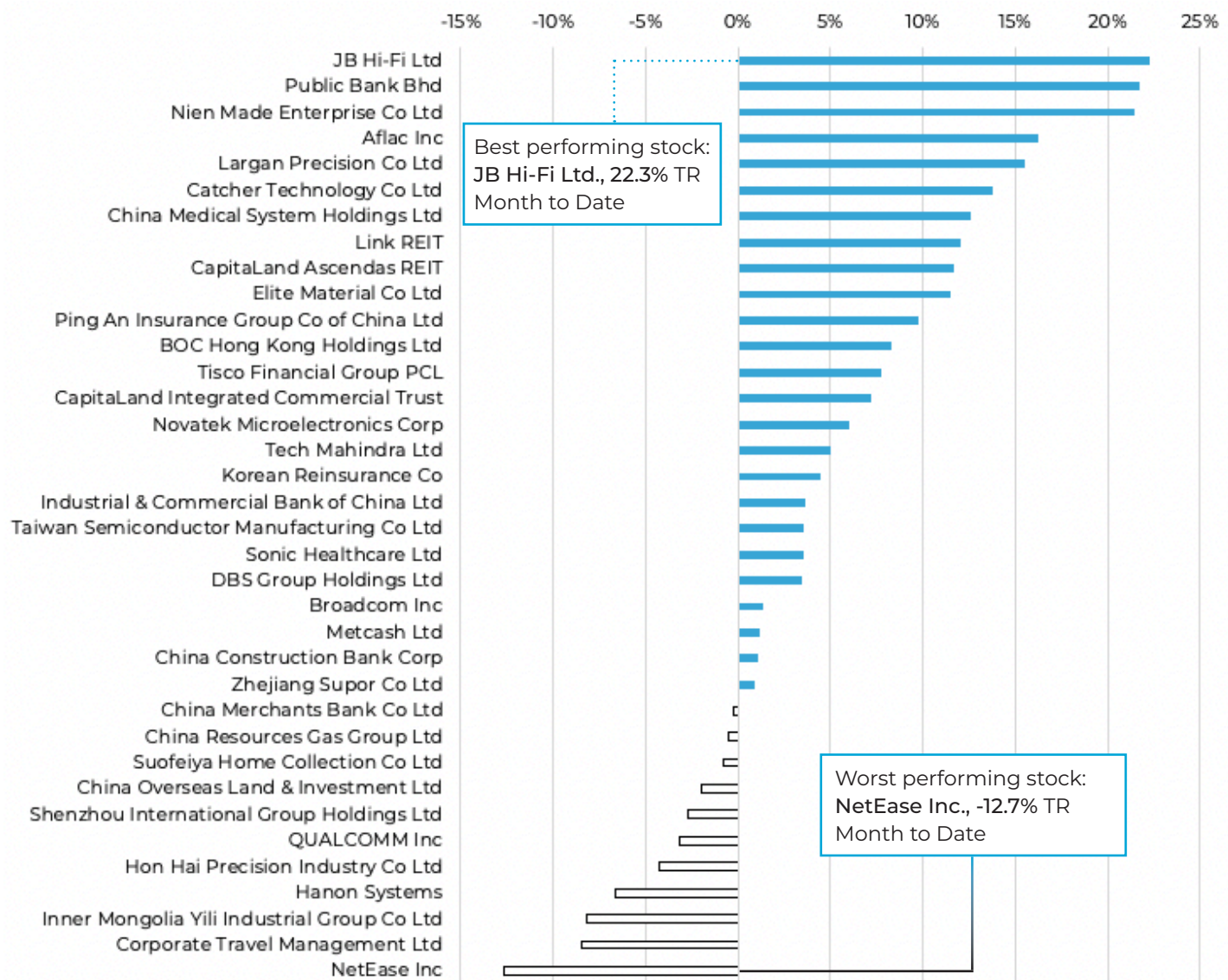


Portfolio Performance

as of 08/31/2024

ADIV outperformed the index in August, delivering 5.07% on a NAV basis, and 5.14% on a market price basis, while the MSCI AC Pacific ex Japan Net Total Return Index benchmark rose 2.64%. ADIV outperformed the market fall at the beginning of August, and again outperformed in the market rebound. In the fall at the beginning of month, the portfolio's holdings in Elite Material, Broadcom, Taiwan Semiconductor, Qualcomm and Hon Hai Precision all fell between -11% and -15%. However, the Fund's defensive performance was led by 25 names that ranged between +5% and -5% over the period made up of REITs, Banks and insurers in China, Hong Kong, Korea, Malaysia and Thailand, by Consumer staples and by Health care in Australia and China. 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

Top Performers

JB Hi-Fi was the best performer for the second month in a row. The company is an Australian electricals retailer with a highly capable management team with a strong balance sheet. The stock rose 11.4% in July on optimism that revenue growth might accelerate in the computer and telecom products segment. Results reported in mid-August recorded like for like sales, gross and operating margins to have been stronger than expected; there was good growth in JB Australia and in the home appliance division that trades under The Good Guys brand. The overriding impact of these results, after years of exceeding expectations, has been a market re-set of operating expectations that takes account of the evolution of the business since 2019.

Nien Made Enterprise is a Taiwanese maker of blinds and shutters selling into Asia, Europe and the US. The company has established and expanded its production facility in Mexico, servicing the North American market. Over the last few years, the company has repeatedly demonstrated its quality through cost management, pricing power through bespoke product offerings and has shown an ability to manage regulatory change. Most recently, regulations in the US have banned the use of rope pulls on blinds in new properties: Nien Made redesigned their products well in advance. The latest results beat expectations on sales and margins. Gross margin hit a record high of 58% on better product mix delivering profit growth of 31% year on year for the second quarter. The new capacity added in Mexico has been taken up and so operating leverage has also been positive.

Largan Precision is a Taiwanese maker of premium lenses for smartphone cameras. In recent years, sales growth has been weighed by the slowdown in smartphone sales volumes as well as by the producers' focus on attributes other than the camera. However, cameras have now returned as a selling feature, particularly in the Galaxy and Huawei ranges, meaning others must catch up. The results for the second quarter beat expectations (revenue 2% ahead, gross margin 0.7% behind and operation margin 2% ahead). Analysts estimate that we are halfway through the camera upgrade cycle and so are cautious on growth in 2025. However, the new "periscope" camera is expected to be adopted more widely in the new iPhone, and this would provide an extra growth driver. For the near term, revenue from January to July 2024 is up 33% year on year, maintaining strong momentum and we have yet to enter the seasonal upswing.

Public Bank in Malaysia is a conservatively run commercial bank that has demonstrated steady returns on equity and strong asset quality management over many years. The recent results beat was primarily due to lower-than-expected credit costs. This triggered an upgrade to analyst forecasts. Operating metrics (net interest income, operating costs and pre-provision operating profit) were largely in line. Net interest income was slightly lower on a decline in average interest earning assets but fee income from Public Mutual and from stock broking was higher.

continued on following page...



Portfolio Performance

Ping An Insurance results were well received. The value of new business grew 11%, 2% slower than expectations but investment returns were up 57% on better stock market performance. The company has been rationalizing its sales force in recent years but the stabilization in headcount, and the low base of 2H 2023, sets the scene for 20% growth in new business for the year. The company believes the losses in the asset management division are now behind them; their property exposure is also coming down. It appears to us, after a rocky period, that Ping An is back onto a steadier earnings trajectory, and given its low valuation still reflects the recent uncertainty, we view this set of results very positively.

Bottom Performers

NetEase fell following its results which included more moderate guidance than the market had expected. Revenues grew 6% and the gross profit margin expanded 3% to 63%. Net profit was down on foreign exchange translation and a higher (normalized) tax rate. However, a combination of weaker revenue coming through from legacy games plus a perceived shortfall in new games coming through has caused a sell off. This pattern of sell-off and rally on the timing of new launches is endemic to this stock. The company has an excellent track record in new game design, and we regard this slowdown as temporary. We have consequently added to the position.

Corporate Travel Management reported results which once gain fell short of market forecasts, but which analysts felt provided greater clarity for the outlook. On the positive side, transaction volumes were up led by momentum in North America and in Australia/New Zealand. Europe and Asia were slower leaving management's forecasts delivered in February looking too optimistic. Longer term, analysts remain uniformly positive in an industry that looks set to consolidate in which this business is set to be a consolidator. Near-term uncertainty weighs on the price and it is trading cheaply relative to its history. The dividend payout ratio has been maintained at around 50% and growth will be a function of earnings recovery from here.

Inner Mongolia Yili has been weak this year and the recent results which reported a 9% drop in sales and 12% drop in earnings in the first half were not a surprise. However, the second half prospects and indeed into 2025 look much better. The company is China's largest dairy business – milk, infant milk formula, dairy products such as yoghurt and ice cream. There has been an oversupply of milk in recent months, and distribution channel inventories have become overfull. The company has been actively bringing down that inventory since February and this was largely complete by the end of July. At the same time, market supply and demand are expected to be back in balance, or close to it by year end. The stock is trading at multi-year lows and its trailing yield is over 5%. We added the position after the results.



Portfolio Performance

As of 08/31/2024	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	10.47%	17.99%	1.70%	7.68%	6.11%
ADIV at Market Price	10.63%	18.28%	1.63%	7.68%	6.11%
MSCI AC Pacific Ex-Japan NR	8.87%	12.59%	-4.17%	4.00%	3.05%
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.

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.



Buys & Sells

We made a change during the month with the purchase of Bank Rakyat Indonesia (Rakyat) and the sale of Hanon Systems.

Buys

+ **Rakyat** is an Indonesian state-owned commercial bank which has particular expertise in the small/medium and micro lending segments. The bank has a history of high returns on equity which, after a three-year decline through the COVID period have now returned to historical levels. The bank is trading on a trailing yield of over 6% and the dividend has grown by 20% a year over the past five years. The share price has been weaker this year on asset quality concerns that we see as having been largely worked through, and this gave us our opportunity.

Sells

- **Hanon Systems** is a Korean stock that we have stuck with, for perhaps too long, which gives exposure to the electric vehicle market. Their engine cooling technology is good, and their customer list reflects that. However, the sector outlook continues to darken and roadmap for recovery continues to lengthen. The recent news of VW's struggles only serves to emphasize the problem and so we have taken the decision sell the holding.

Macro

The results season has gone well from most of our portfolio companies, and these continue to be the primary driver of Fund performance. A slower US economy and consequent declines in interest rates hold both positive and negative implications. We think our companies are well placed in what they do and will be able to manage their way through this cycle. Declining interest rates and weaker dollar tend to be quite a positive backdrop of Asian equities and for Asia currencies and this may add some extra support to valuations and stock returns.

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

September 2024 Update



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.