ADIV

The SmartETFs Asia Pacific Dividend Builder ETF

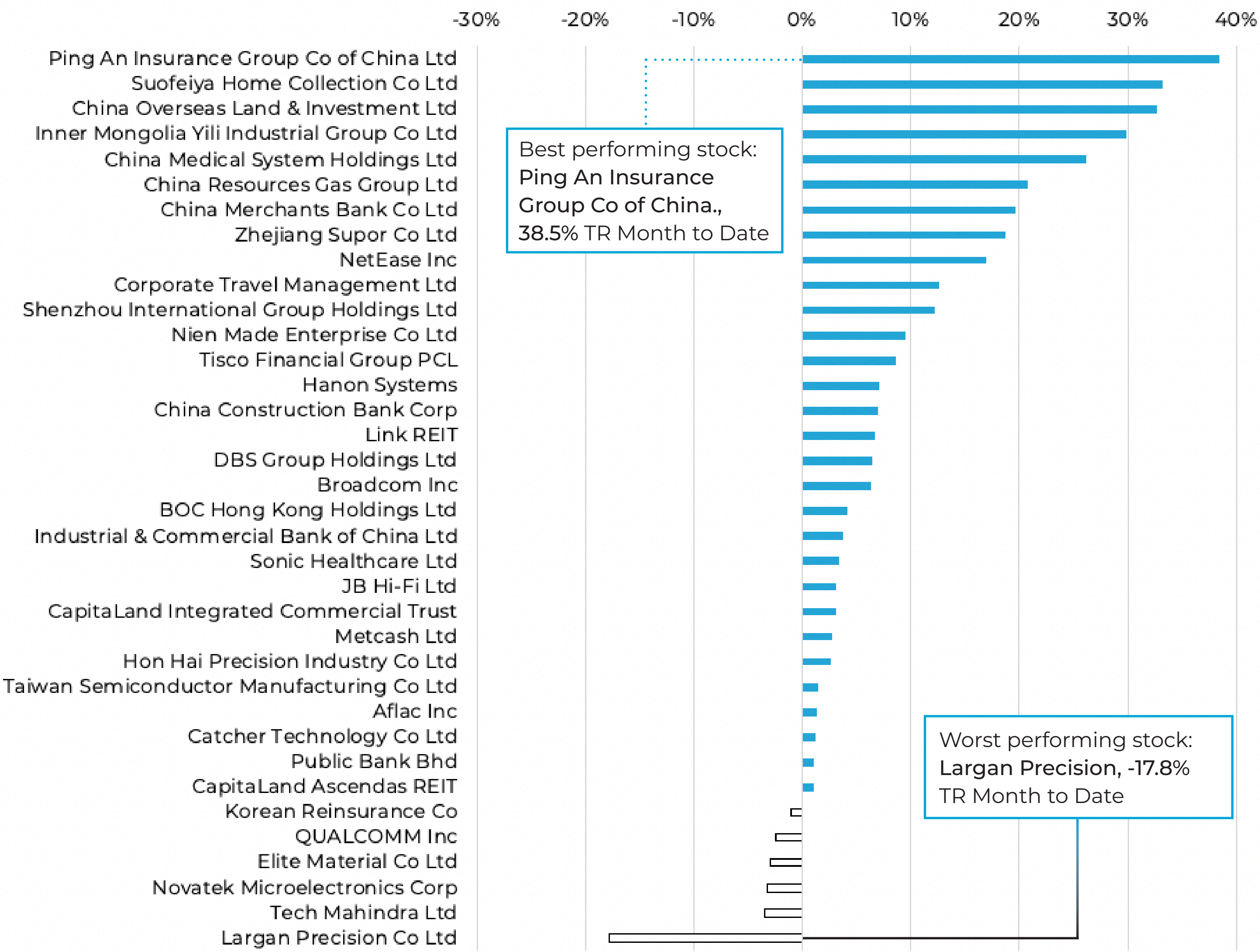
October 2024 Update

Portfolio Performance

as of 09/30/2024

ADIV underperformed the index in September, delivering 7.83% on a NAV basis, and 6.97% on a market price basis, while the MSCI AC Pacific ex Japan Net Total Return Index benchmark rose 9.28%. This represents 83% upside capture, which is in line with what we would hope to achieve. This month has been notable for the recovery in Chinese stocks but over the longer term, as it has in the past, we see performance driven by operating fundamentals and dividend growth. There is still plenty of potential in the Chinese portion of the portfolio to regain some of the relative losses due to valuation compression and we think this made more likely by the combination of robust cash flow generation supported by an improving domestic backdrop. 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.

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Top Performers

Nine out of the top ten performers in the month were Chinese stocks, led by Ping An Insurance which rose 38.5%. We have believed this to be a significantly undervalued business weighed by concerns around its investment portfolio and real estate exposures. Operationally, the company has faced headwinds since COVID as the restructuring of its sales force has seen the volume of new life assurance business decline. However, new business revenues have stabilized and are beginning to recover, and even after such a large share price jump the stock still yields over 5% on a trailing basis.

Corporate Travel Management rose 12.5% and is one of only two non-Chinese stocks to outperform the benchmark in September. Earlier in the year, the company reported much weaker results than the market expected, which was accompanied by a sharp share price drop. Final results for the financial year ending June 30th indicated a better long-term picture. Analysts have reset their expectations for the company, but the consensus is that at current levels, the stock is too cheap.

Nien Made rose 9.5% and was the second non-Chinese company that outperformed in September. This Taiwanese maker of the window shutters and blinds has proved itself able time and again to manage its way through increased costs of material and shipping through production efficiency and product mix to sustain pricing power. It sells its products worldwide and recently established a production facility in Mexico to service the North American market. Since then it has increased capacity and plans to do so again while also reporting increased sales volumes, prices, and margins.

Bottom Performers

Largan Precision, a Taiwanese maker of camera lenses for high-end smartphones fell -17.8% in September. This is despite improving revenue growth and outlook for the company on the back of iPhone 16 pull-through. This perhaps reflects a divergence of opinion however, with Morgan Stanley arguing for example, that although Q3 revenue will be good, it likely peaked in August and so investors should take profit after recent strong performance.

Tech Mahindra fell 3.5% but is still 25% higher for the year to date. The results for the recent quarter included stronger margins led by greater operational efficiency. There has been a steady improvement in new deal wins but the conversion cycle (from deal win through to implementation and execution) remains elongated. The company is still heavily exposed to the telecom segment which declined 2% compared to the last quarter but services provided to the healthcare, retail, and manufacturing segments all grew between 2% and 8%. In our view, the operational progress seen so far has justified our holding on to the position.

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Novatek Microelectronics fell -3.2% in September, up 2.2% for the year to date. The Taiwanese chip designer had a strong year in 2023 and its collaboration with ARM pushed its stock to new highs though it is unrelated to the AI theme. The company designs chips that run displays, and Chinese rivals have been snapping at their heels. Nevertheless, the System on Chip (SoC), which is a combination semiconductor, still keeps them ahead and has preserved their higher margins.

As of 09/30/2024	YTD	1 Year	3 Year	5 Year	10 Year
ADIV at NAV	19.12%	28.27%	5.86%	8.66%	7.35%
ADIV at Market Price	18.35%	27.94%	5.64%	8.48%	7.26%
MSCI AC Pacific Ex-Japan NR	18.98%	27.43%	0.27%	5.51%	4.80%

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.

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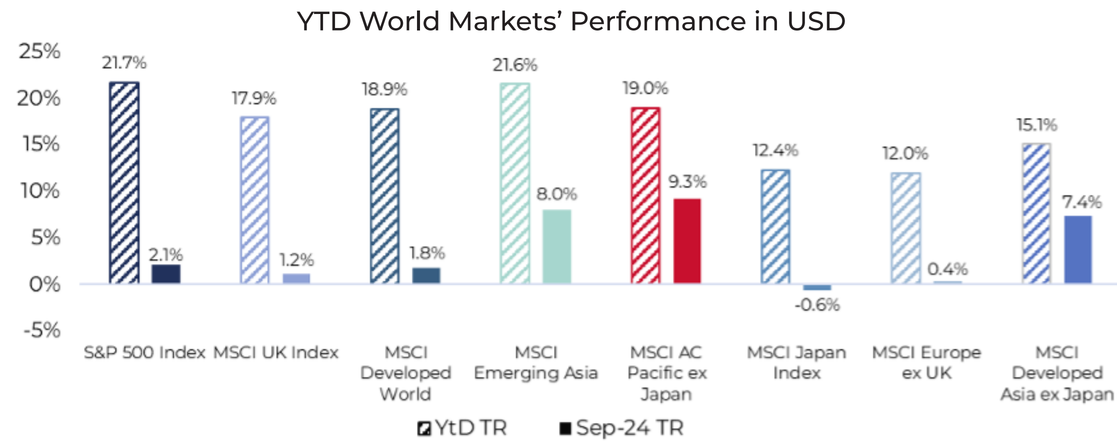
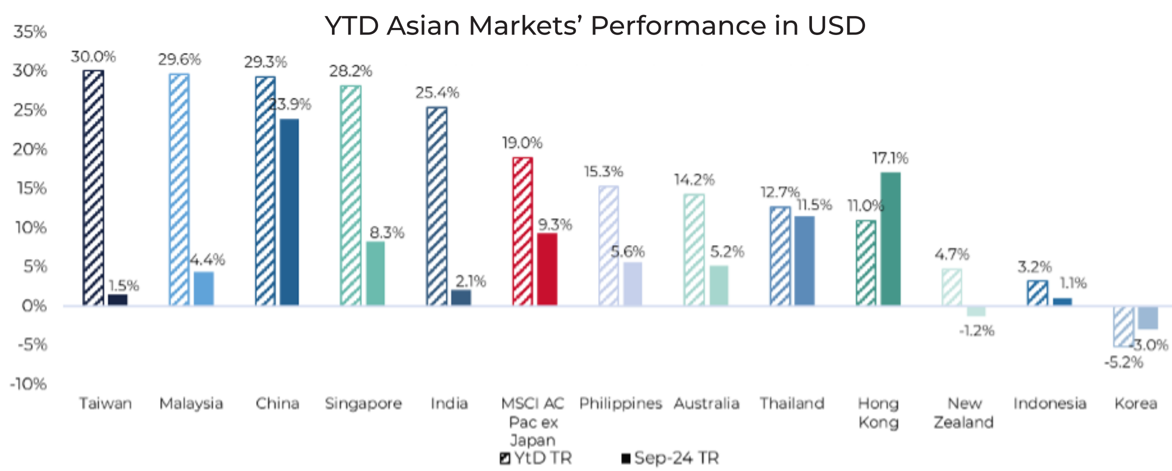
Macro

The third quarter has been a good period for ADIV, with positive earnings reports from individual companies and changes in direction for global interest rates and Chinese government policy all contributing. Strong Asian market performance in September, the emerging region led by China and developed Asia led by Hong Kong and Singapore, pushed the regional benchmark up to levels comparable to the US and MSCI World for the year to date.



Source: Bloomberg, MSCI. Data as of September 30, 2024.

China stocks, as measured by MSCI China are now among the best performers this year and have now overtaken India which, along with Taiwan, has dominated the performance of the regional benchmark this year. Korean weakness remains notable. Korean exports are more cyclical than most and the technology sector has undergone a correction, especially in areas less exposed to more structural themes. In Korea's case this been reflected in underperformance by Samsung Electronics, materials, and in consumer discretionary stocks.



Source: Bloomberg, MSCI. Data as of September 30, 2024.

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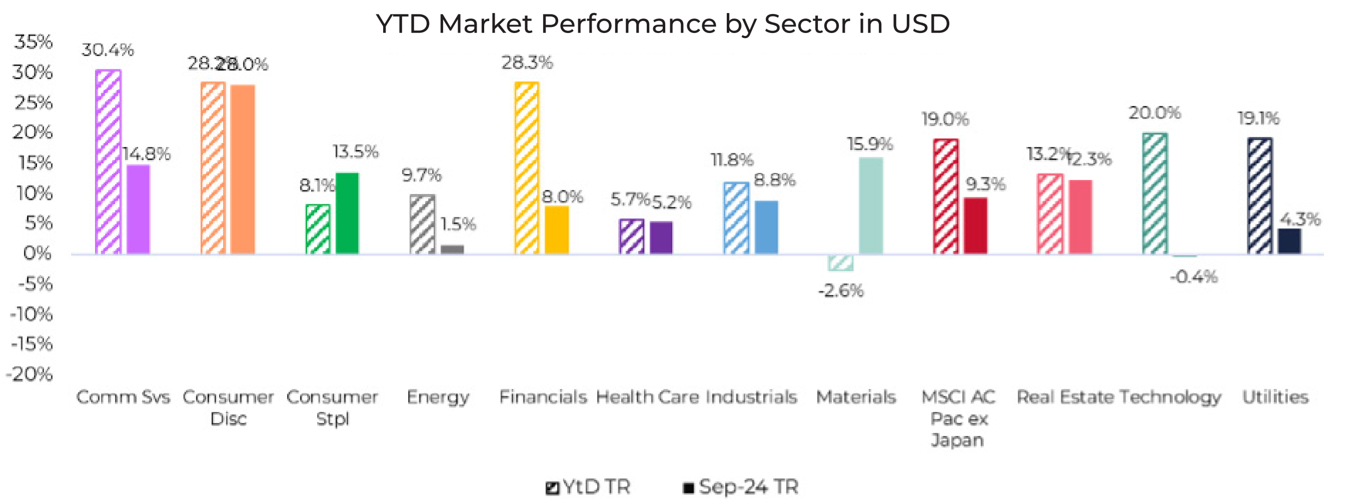

Source: Bloomberg, MSCI. Data as of September 30, 2024.

China

September brought a sudden turn in Chinese policy. We believe the change is significant and we expect to see the government follow through with increased spending designed to support domestic consumer and business confidence. The stock market reaction was swift and dramatic but fell back when the markets desire for "everything, now" was not met. However, there is a budget approval process in China, which will be followed and some pacing of actions alongside a measured market response will be healthier for everyone. It will also give investors time to assess and position for the change in direction.

What happened?
There was a series of announcements of changes in monetary policy, the real estate market and re-focus on consumers accompanied by unusually direct and emphatic statements by the Politburo. Individually, the specific items might not amount to much but taken in combination they make a clear statement of intent. At this point, the changes can be seen as creating a platform on which to re-build consumer confidence. What the market (inside and outside China) now seeks is a comprehensive funded support program that will directly boost consumer spending. The funding for this will require approval by the National People's Congress standing committee at the end of October. At the recent press conference by the Ministry Of Finance, the Minister announced four incremental measures and, as reported by JP Morgan, indicated more under planning "as the government still has meaningful room to raise debt and for the fiscal deficit to increase".

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Macro (continued)

Monetary measures:

- Lending rate cuts of 0.2% to 0.3% (7-day 1.70%, 1-year Medium Term Loan Facility 2.30%, 1-year Loan prime rate 3.35%).
- Deposit rate cut to support bank margins and reduce incentive to save
- Reduction in the required reserve ratio (funds banks are required to lodge with the central bank) to increase liquidity

Property support:

- Mortgage refinancing flexibility to reduce the rate by 0.5%
- Downpayment for a second home cut from 25% to 15%
- Relaxation of home purchase restrictions in tier one cities
- Government to step in as a buyer of unsold new homes for affordable housing

Equity market support

- Swap facility worth $71 billion to allow brokers to swap less liquid assets to buy stocks
- Re-landing facility worth $43 billion to allow companies and major shareholders to buy back stock.

Consumer support

- Consumer trade in program added funding of $21 billion/0.3% of retail sales
  - Covers home appliances, kitchen improvements and autos
- Consumption vouchers issued by local authorities including Shanghai and Chengdu

Commentators inside and outside China argue variously that the existing measures need to be augmented by more substantial fiscal support to boost spending, and that growth measures alone without structural reforms will not resolve the problem. Our view is that more fiscal support is likely to be forthcoming, and since the end of September we have seen further measures offered.

The structural issues will take longer to resolve. The most complex is the relationship between central and local government funding. One of the reasons the central government keeps such a tight hold on the purse strings and is unwilling to implement a broad release of funds is the propensity of local officials to allocate funds to pet projects as a part of the distribution of patronage. It remains a work in progress. The Ministry of Finance just announced a big one-time debt swap to address hidden local debt, said by the ministry to be the largest move of its kind in recent years. The government has allocated almost $170 billion in local bond quotas to help resolve existing local debts and settle government areas to firms. It is also worth noting that onshore, many believe the restructuring of local government and housing debt to be very significant. Local government-related business spending, which has been largely absent in recent years, is a key driver of consumption outside the leading cities.

Those that argue China is failing to address structural issues are ignoring the fact they have addressed one of the biggest, being the overextension of the property sector and the debt associated with it. The

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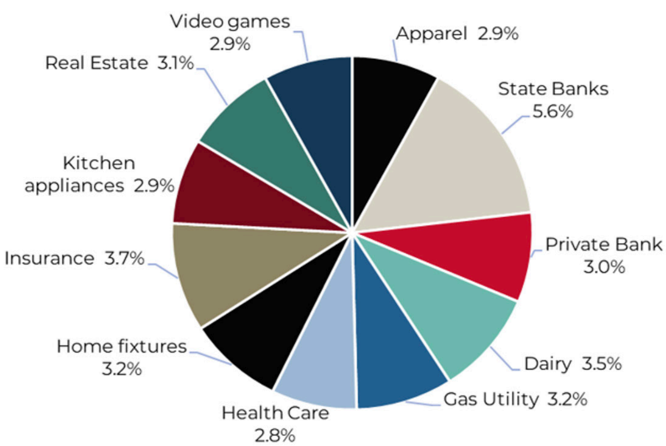
losses imposed on property magnates and those financial investors in wealth management products betting on a government bailout shows a government seeking to impose financial rigor, discipline and a realistic framework to price risk. The impact of this major structural shift (declining property values, slower economic growth, declining tax revenues) is what drives the current tactical shift in policy, but we expect pure consumption-focused packages to be extended gradually.

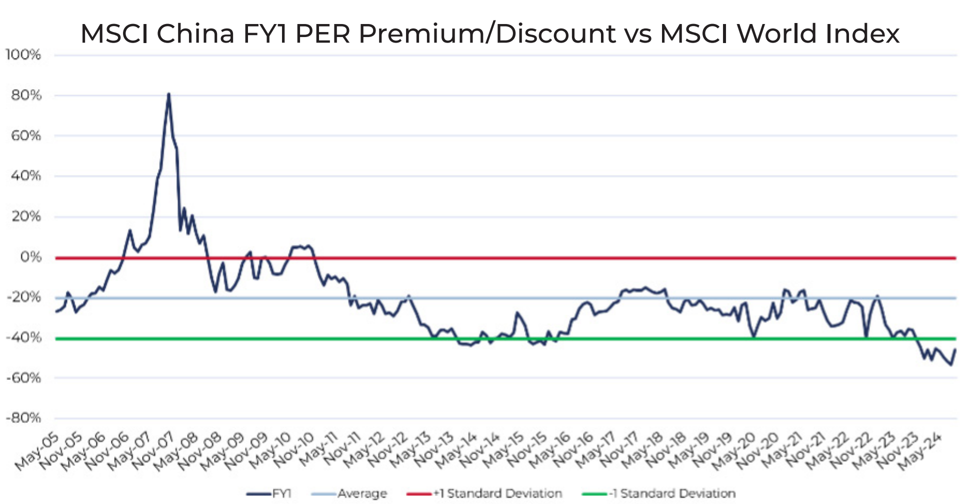
ADIV's China exposure of 37% is domestically focused:



SHENZHOU INTERNATIONAL GROUP	Apparel	2.9%
CHINA CONSTRUCTION BANK-H	State Bank	2.9%
IND & COMM BK OF CHINA-H	State Bank	2.7%
CHINA MERCHANTS BANK-H	Private Bank	3.0%
INNER MONGOLIA YILI INDUS-A	Dairy	3.5%
CHINA RESOURCES GAS GROUP LT	Gas Utility	3.2%
CHINA MEDICAL SYSTEM HOLDING	Health Care	2.8%
SUOFEIYA HOME COLLECTION C-A	Home fixtures	3.2%
PING AN INSURANCE GROUP CO-H	Insurance	3.7%
ZHEJIANG SUPOR CO LTD -A	Kitchen appliances	2.9%
CHINA OVERSEAS LAND & INVEST	Real Estate	3.1%
NETEASE INC-ADR	Video games	2.9%

Data as of September 30, 2024.

We also note that even after the strong performance in September the valuation of Chinese companies, as measured by the MSCI China Index remains lower, versus developed markets, than they have been for over 20 years:



Source: Bloomberg, SmartETFs. Data from May 31, 2005 to September 30, 2024.

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SmartETFs by Guinness Atkinson

Macro (continued)

Similarly, China valuations versus the region remain at depressed levels:

MSCI China FY1 PER Premium/Discount vs MSCI AC Asia Pacific ex Japan Index

Source: Bloomberg, SmartETFs. Data from May 31, 2005 to September 30, 2024.

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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 982 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

S&P 500 Index is a prominent market-capitalization-weighted index of 500 leading publicly trading companies in the US.

MSCI UK Index is designed to measure the performance of the large and mid cap segments of the UK market. With 77 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.

MSCI Developed World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,409 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Asia Index captures large and mid cap representation across 8 Emerging Markets countries. With 1,028 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country

MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 198 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

MSCI Developed Asia ex Japan Index captures large and mid-cap representation across developed markets in Asia, excluding Japan.

MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings. With 598 constituents, the index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization.

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.

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.