ADIV

Guinness Atkinson Asia Pacific Dividend Builder ETF

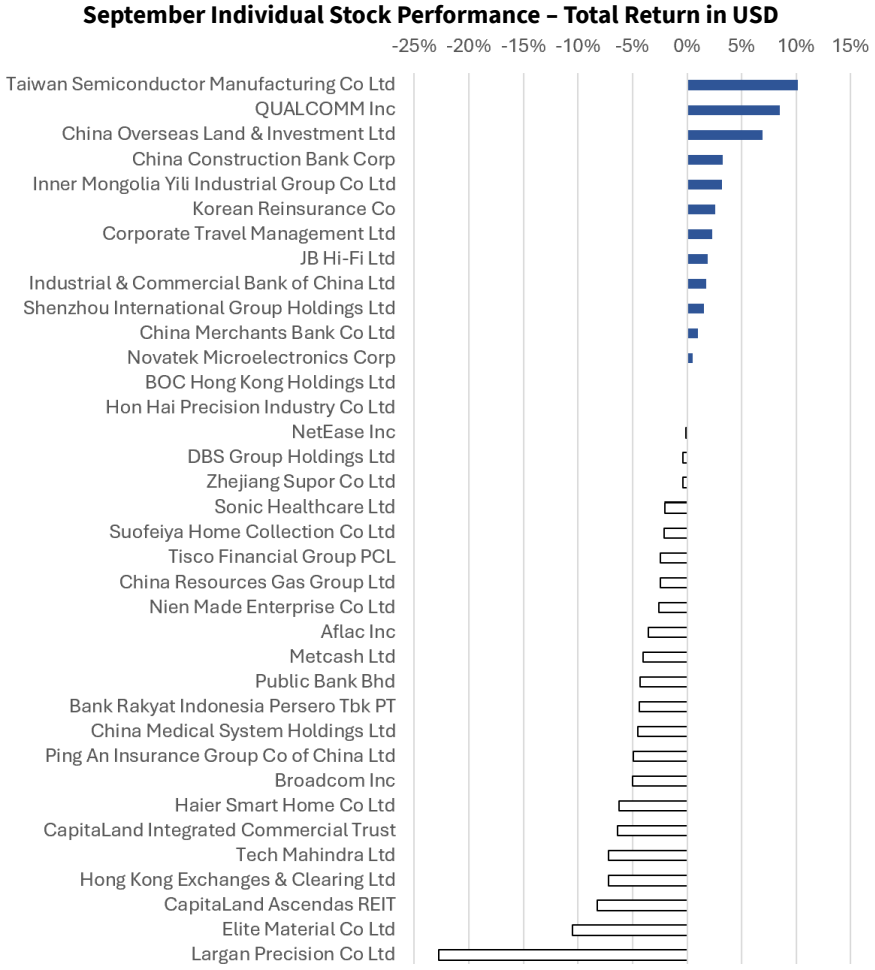
October 2026 Update

GUINNESS ATKINSON FUNDS

Portfolio Performance

as of 09/30/2026

In September, ADIV was down at -1.80% (NAV basis, -2.05% market price)[1], while the MSCI AC Asia Pacific ex-Japan benchmark was down at -0.87%.



Holdings are subject to change. Go to www.gafunds.com/our-funds/ADIV/ for current holdings.

[1] *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 gafunds.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.*

Leaders

Qualcomm rose +8.5%, driven by a mid-month rally after an announcement of a multi-generation collaboration with Amazon Web Services related to custom AI silicon. The news of this deal makes it increasingly likely that management will achieve their FY29 target of $15bn data center revenues. Sentiment was further supported when Apple renewed its patent license agreement with Qualcomm, extending it to April 2027.

China Overseas Land and Investment (COLI) rose +6.9%, tied largely to improving sentiment related to the broader Chinese property sector. The company rallied at the end of the month after new policies to lift commercial housing sales were introduced. These included mortgage-interest subsidies for first-time buyers, as well as cheaper funding for policy banks. As one of the sector's financially stronger state-owned enterprise (SOE) developers, COLI remains better positioned than many private peers to benefit from industry consolidation and policy support.

China Construction Bank rose +3.3% and performed relatively strongly in September despite weakness in the broader Chinese market. The shares continued to benefit from the bank's defensive earnings profile and attractive shareholder returns, with its interim results showing net interest income growth of 8.5% and non-interest income growth of 16.3%, alongside an increase in the dividend payout ratio from 30% to 31%. Towards month-end, further policy support for the Chinese economy and property sector also provided a more supportive backdrop for the large state-owned banks.

Laggards

Largan Precision fell -22.7% in September, following a dramatic rally in August. Excitement for the company's Co-Packaged Optics (CPO) AI opportunity had run extremely hot, especially given that mass production is not expected until late 2027 to 2028. September appears mainly to have been a correction after expectations ran ahead of near-term earnings, rather than a collapse in the underlying business. Indeed, September revenue subsequently rose 15% month-on-month, and Q3 revenue rose 15% quarter-on-quarter, while Largan continued progressing its CPO fiber-array business towards production.

Elite Material declined -10.5% in September. The sharpest sell-off came in mid-September as investors questioned whether accelerating adoption of co-packaged optics could reduce future demand for high-end copper-clad laminate (CCL) by shortening the electrical signal path within AI systems; Elite Material's share price fell on these concerns. However, CPO adoption is still in early stages and faces cost, yield and reliability constraints, while demand for high-performance CCL remains tight.

Capitaland Ascendas REIT was down -8.2% over September. Unlike the technology names, there was no obvious company-specific negative announcement during the month; its September announcements were predominantly

ownership disclosures, conference participation and notice of its forthcoming Q3 update. The weakness is therefore better understood in the context of the higher-rate environment and rising bond yields, which pressured rate-sensitive REIT valuations and reduced the relative attraction of their distribution yields.

As of 09/30/2026	YTD	1 Year	3 Years	5 Years	10 Years
ADIV at NAV	10.13%	12.48%	18.29%	8.89%	8.79%
ADIV at Market Price	9.99%	11.03%	18.37%	8.86%	8.75%
MSCI AC Asia Pacific ex-Japan NR	23.80%	28.20%	23.95%	9.20%	9.53%

All returns over 1 year annualized. Expense Ratio: 0.78% (net) | 1.95% (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, 2029.

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 gafunds.com, or calling (866) 307-5990. 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.

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 30, 2012). 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. 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.

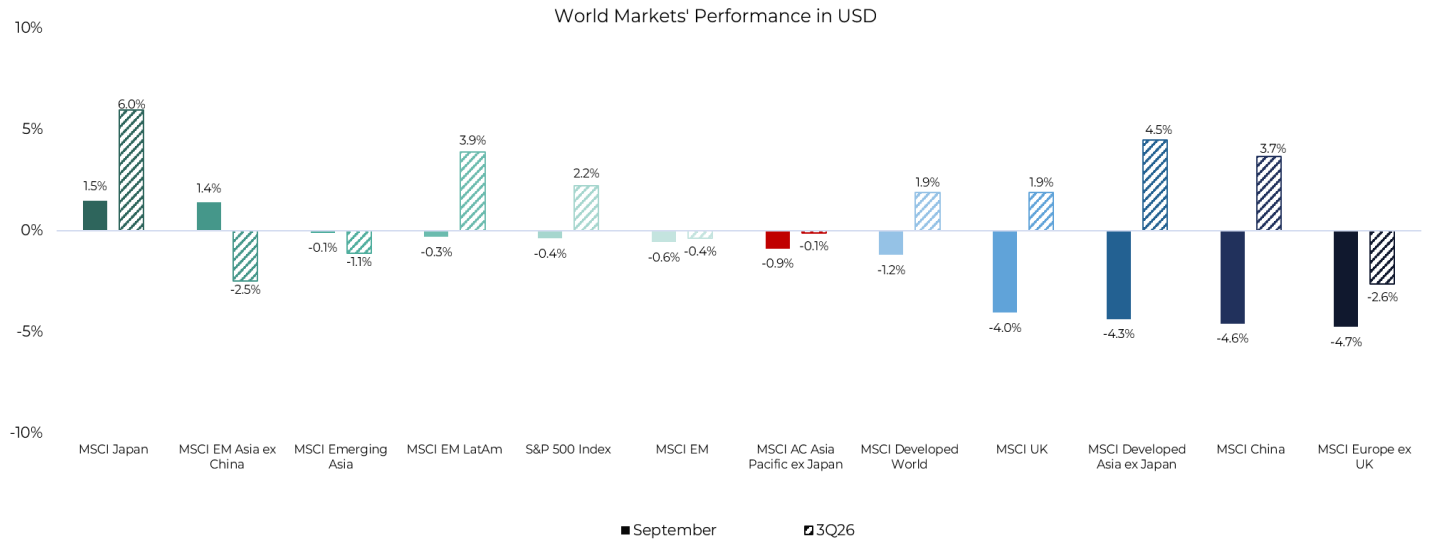
A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.

Subsidized yields reflect any fee waivers or reimbursements that may be in effect during a period, while unsubsidized yields do not.

Macro Review

Market and stock returns discussed below are in US dollar terms.

Global equity markets remained mixed in September as investors balanced resilient economic activity against persistent inflation, higher interest rates and continued geopolitical uncertainty. The Federal Reserve (Fed) raised its policy rate by 25 basis points during the month, the first increase since 2023, citing solid economic activity and resilient domestic spending alongside inflation that remained above target. The Fed also raised its 2026 inflation forecast and its projected path for interest rates, reinforcing expectations that monetary policy could remain restrictive for longer than previously expected. US Treasury yields subsequently moved higher, with the 10-year yield rising above 5% later in the month.



Source: Bloomberg, MSCI, Guinness Atkinson. Net returns in US dollars as of 30th September 2026.

Equity markets were weaker alongside rising bond yields but regained some ground at the end of the month. Japan and EM Asia ex China were the strongest major regions, while the S&P 500 and broader Emerging Markets were only modestly lower. Weakness was instead concentrated in Europe ex UK, China, Developed Asia ex Japan and the UK. Europe and the UK were particularly exposed to the combination of higher bond yields, elevated energy prices and concerns around inflation and growth, while China's decline reflected renewed weakness in domestic activity and a reversal in parts of the technology market.

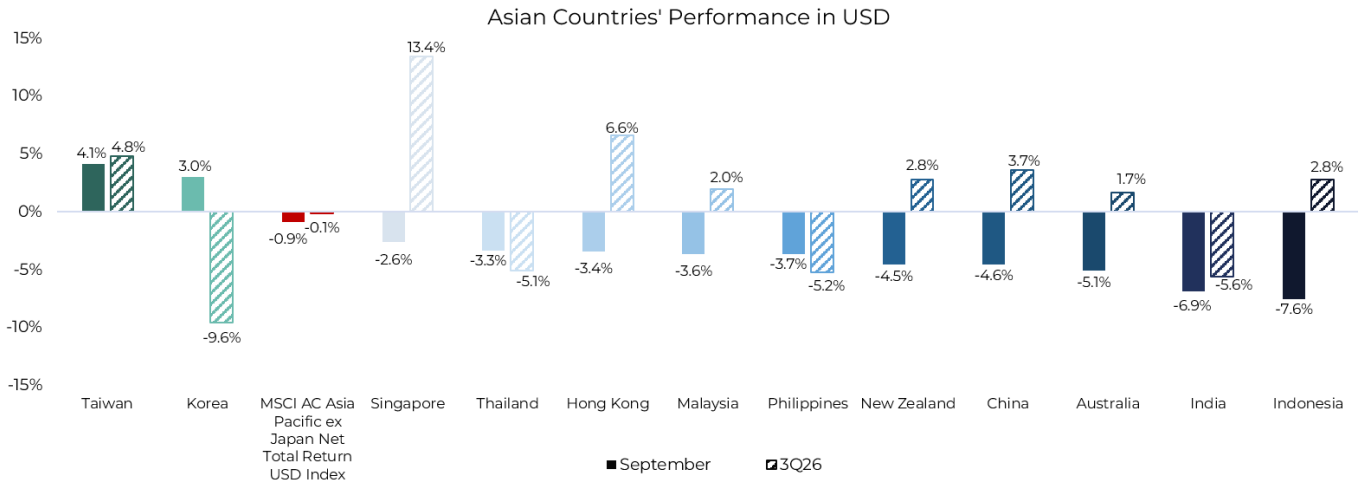
Over the third quarter, Japan was the strongest major market, gaining 6.0%, supported by strength in technology and export-oriented companies. Towards the end of the quarter, a weaker yen following the Bank of Japan's September meeting provided an additional tailwind for exporters and other companies with significant overseas earnings.

Developed Asia ex Japan, Latin America and China also saw gains over the quarter, as did the S&P 500. Europe ex UK and EM Asia were the principal laggards. Within Asia, the latter largely reflected the sharp reversal in Korea following its exceptional first-half rally, despite continued strength in underlying semiconductor demand.

The Fed's return to tightening is also relevant for Asia, although the impact is neither uniform nor immediate. Higher US rates and Treasury yields increase the relative attractiveness of US assets, can support the dollar and put pressure on regional currencies, as seen with the rupee during September. For economies reliant on imported energy and other commodities, currency weakness can compound inflationary pressures by raising the local-currency cost of imports, potentially limiting the flexibility of domestic central banks to ease policy.

Monetary policies vary considerably across the region, but some of the dynamics are as follows:

- Hong Kong and Singapore rates move in the same direction as the US, the former due to the currency peg and Singapore via the Singapore Overnight Rate Average (SORA). Borrowers and Real Estate Investment Trusts (REITs) face rising debt costs, but for companies like Bank of China Hong Kong, Hong Kong Exchanges and Clearing and DBS Bank, this is supportive to net interest margins.
- In Australia, rising rates are likely to hurt consumer spending, which affects our holding in JB HiFi.
- Malaysian interest rates are not moving and at 2.75% are intended to be accommodative, supporting the macro backdrop where GDP is growing at over 5%. The holding in Public Bank benefits from this broader benign outlook.
- Thailand is cutting interest rates, now at 1.25%, amid weak growth. For our holding in Tisco Finance this is both negative and positive: net interest margins come under pressure, but asset quality improves, reducing the need to set aside funds against bad debt.
- China's interest rates are entirely unaffected by US monetary policy. Domestic growth and the protection of bank margins dominate considerations.



Source: Bloomberg, MSCI, Guinness Atkinson. Net returns in US dollars as of 30th September 2026.

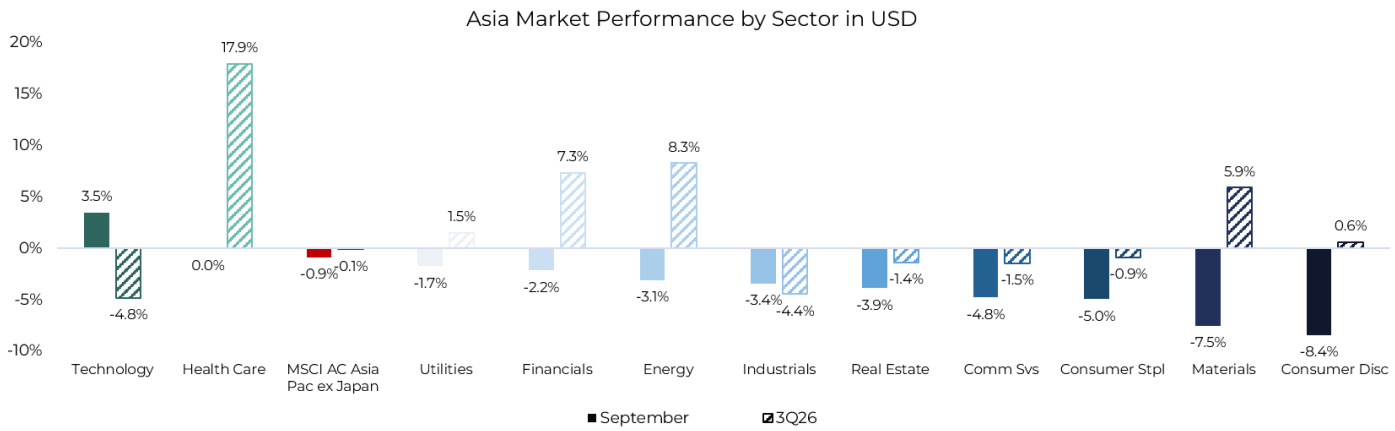
Asian markets were generally weaker in September, although performance differed considerably across the region. Taiwan and Korea were the notable exceptions, supported by continued strength in the semiconductor and AI supply chain. The underlying technology cycle remained strong, with September manufacturing activity accelerating in both economies and Korean exports showing an +83.5% year-on-year increase, driven by surging semiconductor demand. However, the quarterly picture was quite different. Korea's decline followed the exceptional earlier rally in Samsung Electronics and SK Hynix and a sharp unwind in memory companies in July, alongside growing concerns around valuations and the longer-term risk of additional capacity. This divergence is a useful illustration of how strong, underlying AI demand is no longer translating uniformly into equity returns.

China weakened materially in September, giving back some of its earlier quarterly gains. August data (released in September) continued to show a two-speed economy: industrial production remained relatively resilient but retail sales grew just +0.4% year-on-year, fixed-asset investment has fallen -7.2% year-to-date, and property investment was down -19.9%. Policymakers announced further targeted measures to support credit and housing, but this is insufficient to materially change the current economic landscape. Despite the September reversal, China still gained +3.7% over 3Q26. Interestingly, Hong Kong rose +6.6% over the quarter, highlighting the difference between the still-subdued domestic economic conditions and the performance of certain technology, financial and internationally exposed companies.

Elsewhere, despite continued resilience in domestic growth, India was particularly affected by higher oil prices as well as rupee weakness and rising US yields, which contributed to foreign outflows of $2.7bn, the largest in six months. Indonesia also came under pressure as higher global yields and a stronger dollar weighed on the rupiah, while changes

at the Finance Ministry added to uncertainty around the direction of fiscal policy. In Australia, persistent domestic inflation and stronger-than-expected activity culminated in a further 25bp rate increase from the Reserve Bank of Australia at the end of the month.

Across the quarter, Singapore was the strongest performing country, up +13.4% despite giving back -2.6% in September. It continued to benefit from its large Financials exposure and resilient domestic economy, while its technology and manufacturing sectors also indirectly benefited from strong regional AI-related investments.

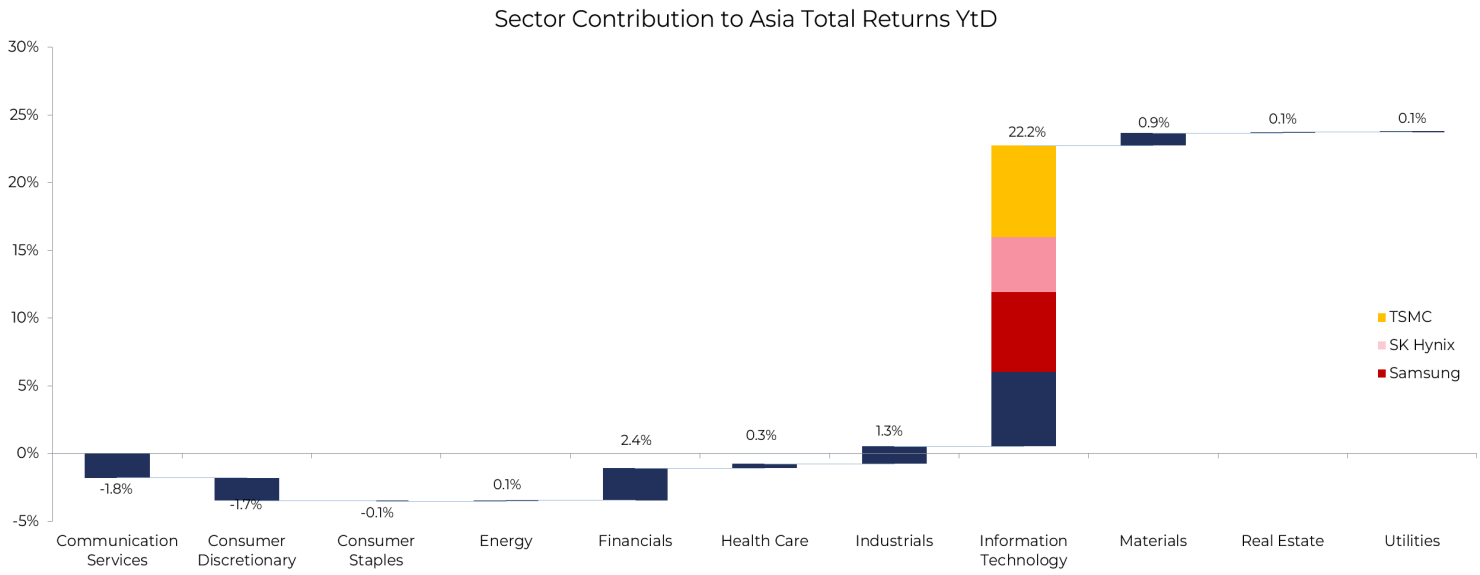


Source: Bloomberg, MSCI, Guinness Atkinson. Net returns in US dollars as of 30th September 2026.

At a sector level, September saw Technology rebound, consistent with the recovery in Korean semiconductor stocks and continued strength in Taiwan. Energy and Financials also rose, while Health Care, Consumer Discretionary and Real Estate were among the weakest sectors. Health Care's decline represented some reversal following its very strong performance earlier in the quarter, while Consumer Discretionary remained exposed to softer consumption trends, particularly in China. Real Estate also remained under pressure from higher interest rates and continued weakness in China's property market.

The quarterly picture showed a broader shift in market leadership. Despite rebounding in September, Technology fell -4.8% over 3Q26, while Health Care, Energy, Financials and Materials led. Importantly, Technology weakened despite continued strength in AI and semiconductor demand, suggesting that valuations, positioning and elevated expectations, rather than deteriorating fundamentals, drove much of the divergence.

Fund Review



Source: FactSet, Bloomberg, MSCI, Guinness Atkinson. Net returns in US dollars as of 30th September 2026.

In USD terms, the Fund returned +10.13% (NAV basis, +9.99% market price) year-to-date to the end of September, compared with +23.80% for the benchmark, resulting in -13.67ppts of underperformance. However, most of this gap continues to be attributable to a small number of benchmark constituents, namely TSMC, Samsung Electronics and SK Hynix (neither of which make it into the Fund's investment universe).

Stock leaders in 3Q26

Korean Reinsurance rose +26.3% thanks to strong earnings. Q2 net income rose +25% from KRW106bn to KRW133bn, while H1 net income increased over +70% from KRW202bn to KRW347bn. While the shares were somewhat volatile in September, the broader Q3 strength suggests that the improved profitability is driving renewed investor optimism.

China Construction Bank rose +25.3% over the quarter, largely for the reasons mentioned under the September Stock Leaders (pg 2).

Largan Precision saw a dramatic re-rating leading to returns rising +39.8% over the quarter as investors responded to both an improving smartphone camera cycle and the company's potential expansion beyond smartphone lenses into AI data-center optical components. Management disclosed that it had secured its first fiber-array orders, with trial

production expected around the end of Q3 and potential revenue from mid-2027. An August NT$3.08bn property acquisition was subsequently interpreted as supporting expansion of this business, sending the shares up the 10% daily limit. September then saw a sharp correction as some of those expectations were unwound.

Stock laggards in 3Q26

JB Hi-Fi fell -9.8% in 3Q26 amid a weaker trading outlook. The company's FY26 itself was respectable, with sales reaching a record AUD11.06bn and net profit after tax increasing 6%. However, investors focused on the deterioration entering FY27. July comparable sales fell -1.4% at JB Hi-Fi Australia, -1.7% at The Good Guys and -4.0% at e&s, with management highlighting cautious consumers, supplier price increases and tech product availability constraints, leading to shares falling more than 12% on results day. In short, the Q3 decline was driven by concern that the exceptionally strong Australian retail performance and margins would become harder to sustain as consumers weakened and product costs increased.

Shenzhou International declined -10.5% after reporting weak 1H26 results. Revenue fell -5.3% and net profit -40%, while gross margin contracted from 27.1% to 22.6%. Management cited cautious customer ordering, RMB appreciation, higher raw material and labor costs and tariff-related expenses. Weaker sportswear demand was particularly important, with sportswear sales down -10.7%. Additionally, the outlook offered limited near-term relief as management expect 2H26 orders to be broadly flat year-on-year and margin pressure to persist.

Elite Material was down -8.0% over the quarter. Reported Q2 revenue more than doubled year-on-year, and earnings per share rose from NT$10.02 to NT$27.55, driven by rapidly growing demand for high-end CCL used in AI servers and networking equipment. However, following a substantial rally earlier in the year (+232% increase over the first eight months of 2026), the shares became volatile and corrected as investors tried to weigh up whether CPO would ultimately reduce the amount of high-end CCL required in AI systems (as noted above).

Buys and sells

We made one change to the portfolio, selling Catcher Technology, and replacing it with Hong Kong Exchanges and Clearing.

Catcher Technology manufactures precision metal components and enclosures for consumer electronics, historically including smartphone casings. Our original investment thesis changed materially following the sale of its smartphone

casing business, after which the case for retaining the position rested primarily on increasing share buybacks, continued growth in cash per share and an operating return on invested capital (ROIC) excluding cash of more than 10%. However, operating ROIC fell to 3% in 1Q26, although it remained at 11% on a rolling four-quarter basis, prompting us to monitor the business for another quarter. When operating ROIC deteriorated further to 1% in 2Q26, we concluded that the underlying operating performance no longer justified retaining the position.

Hong Kong Exchanges and Clearing (HKEX) operates Hong Kong's stock and derivatives exchanges and clearing infrastructure and also owns the London Metal Exchange. The investment provides exposure to the growing flow of capital between mainland China and international markets, particularly through Stock, Bond and Swap Connect, alongside growth in derivatives, listings and other market products. HKEX combines a near-monopoly franchise with very high margins and returns on capital, while its low marginal costs provide significant operating leverage to higher trading activity. Although earnings remain sensitive to market volumes and Chinese investor sentiment, we believe the current valuation is reasonable given the potential for Connect expansion and Hong Kong's increasing role as China's principal offshore capital markets hub.

Outlook

Looking into the final quarter, we remain constructive on the longer-term outlook for Asia, although the near-term environment has become more mixed. Economic growth remains relatively resilient across much of the region and AI investment continues to support semiconductor demand, but higher US interest rates, elevated energy prices and renewed dollar strength create a less supportive external backdrop. Importantly, these pressures will not be felt equally: the rupee, for example, will be important to watch, as further currency weakness could amplify imported inflation and constrain domestic policy flexibility.

Within India, domestic growth remains comparatively strong, but the balance of risks has deteriorated, with higher oil prices, rupee weakness and rising input costs creating greater inflationary and external pressures. China, on the other hand, presents a different picture. Weak consumption, investment and property activity continue to contrast with stronger high-end manufacturing, exports and strategic industries, leaving the economy increasingly two-speed. As we move into 4Q26, we will monitor the outcomes of the recently released policy support to see if it translates into more durable improvements in household confidence and domestic demand.

For equity markets, the recent quarter's broadening in leadership is encouraging, but we would not assume it continues in a straight line. The AI investment cycle remains strong, but Technology fell -4.8% over the quarter, and Taiwan and Korea diverged sharply despite both benefiting from semiconductor demand. This suggests that valuations, positioning

and the earnings generated from AI investment are becoming increasingly important alongside the strength of the underlying theme. As the benefits of AI extend beyond the initial infrastructure build-out, opportunities should also broaden across the technology supply chain and, ultimately, to companies able to use that infrastructure productively.

More broadly, the strong performance in the quarter of Health Care, Energy, Financials and Materials suggests Asian equity returns are becoming less dependent on the narrow group of Technology companies that dominated earlier in the year. Greater differentiation between countries, sectors and individual companies is therefore likely to persist. As investors place greater emphasis on earnings delivery, returns on capital and valuation, we believe the opportunity set for active stock selection should broaden, creating a more favorable backdrop for the Fund to translate the underlying quality and earnings growth of its holdings into stronger relative returns.

Portfolio Managers
Edmund Harriss
Mark Hammonds, CFA
Valerie Huang, CFA

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.

MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 181 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

MSCI AC Asia Pacific ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets countries (excluding Japan) and 8 Emerging Markets countries in the Asia Pacific region. With 1,057 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets (EM) Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,195 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Developed Asia ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region, excluding Japan. With 93 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI UK Index is designed to measure the performance of the large and mid cap segments of the UK market. With 72 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.

MSCI Emerging Markets (EM) Latin America (LatAM) Index captures large and mid cap representation across 5 Emerging Markets (EM) countries in Latin America. With 86 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 330 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

MSCI Developed World Index captures large and mid cap representation across 23 Developed Markets (DM) countries. With 1,319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

S&P 500 Index is a stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States.

MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 559 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.

MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market (66 constituents).

The **MSCI Emerging Markets (EM) Asia** Index captures large and mid cap representation across 8 Emerging Markets countries (China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand).

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.

Basis Point is a common unit of measurement for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%.

Price-to-earnings (P/E) ratio compares a company's share price with its earnings per share (EPS).

Free cash flow (FCF) is the cash a company has left after spending money to support and maintain its operations and capital assets.

Capital expenditures (CapEx) are funds companies use to acquire, upgrade, or maintain physical assets like buildings, technology, or equipment, with the goal of increasing operational scope or future economic benefits.

Risks:

Investing involves risk, including possible loss of principal. Diversification does not guarantee a profit or protect against a loss.

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.gafunds.com. Read the prospectus or summary prospectus carefully before investing.

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