

# The Advisors' Inner Circle Fund III



## Democracy International Fund

ANNUAL REPORT

DECEMBER 31, 2023

Investment Adviser:

**Democracy Investment  
Management LLC**

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The Fund files its complete schedule of investments with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT is available on the SEC's website at <https://www.sec.gov>, and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to Fund securities, as well as information relating to how a Fund voted proxies relating to fund securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling 1-877-776-3629; and (ii) on the SEC's website at <https://www.sec.gov>.

## LETTER TO SHAREHOLDERS

## Democracy Continues to Win

Another year has passed bringing us closer to the Fund's milestone three-year mark which will be on March 31, 2024. A sincere thank you to all of you who chosen to invest in the growth of democracies around the globe. We appreciate your continued support and are happy to share that our market cap and democracy weighted strategy has a track record that continues to support our investment thesis that democracies will outperform over the long run.

Our index performance results, relative to the three market cap only indices that we consider to be our direct competition, cumulatively returned 6.21%\* versus 1.64% for our benchmark index, the Solactive GBS Global Markets ex-US Large & Mid Cap Index\*\*. During the same period, our index also outperformed the FTSE All World ex US Index\*\* 3.16% and MSCI ACWI ex-US Index\*\* 1.18%. In addition, you will see in the chart below we have consistently outperformed the other indices during every calendar year since inception.

Index Returns USD	2023	2022	03/31/2021- 12/31/2021	Since Inception
<b>Democracy Investments International Index</b>	<b>17.95%</b>	<b>-14.99%</b>	<b>5.92%</b>	<b>6.21%</b>
<b>Solactive GBS Global Markets ex US Large &amp; Mid Cap Index</b>	15.82%	-15.66%	4.06%	1.64%
Outperformance	<b>+213 bps</b>	<b>+67 bps</b>	<b>+186 bps</b>	<b>+457 bps</b>
<b>MSCI ACWI ex-US Index</b>	15.62%	-16.00%	4.18%	1.18%
Outperformance	<b>+233 bps</b>	<b>+101 bps</b>	<b>+174 bps</b>	<b>+503 bps</b>
<b>FTSE All World ex-US Index</b>	16.20%	-15.22%	4.72%	3.16%
Outperformance	<b>+175 bps</b>	<b>+23 bps</b>	<b>+120 bps</b>	<b>+305 bps</b>

Source: Democracy Investments Index Provider Analysis, Jan 2024

\*Index returns are for illustrative purposes only and do not represent actual Fund performance. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

\*\* These indices can all be defined as tracking approximately 2900 mid and large cap international equities in developed and emerging markets.

Actual Returns Year to Date**	(12/31/22 - 12/31/23)
Democracy International Fund ETF (Ticker DMCY)	17.13%

Cumulative Inception to Date Actual Returns**	(3/31/21 - 12/31/23)
Democracy International Fund ETF (Ticker DMCY)	6.72%

\*\*\*The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. For standardized returns and performance data current to the most recent month end visit [www.democracyinvestments.com](http://www.democracyinvestments.com).

**Market Consolidation**

Equity markets oscillated in a general upward direction in 2023, with strong performance from late October through the end of the year. Performance was driven by a narrow range of large cap technology stocks that were boosted by the generative artificial intelligence story. Not including the Magnificent 7, the remaining S&P 500 stocks performed in-line with their international counterparts. Our 2023 outperformance was largely driven by our over-weight to Japan, France, and Switzerland and our significant under-weight of China. Performance was only slightly hindered by over-weights to Taiwan and the UK.

Looking forward, international stocks remain attractive relative to U.S. stocks on a forward earnings multiple basis. In addition, stocks in general tend to do well in election years, and as discussed later, 2024 will have a record number worldwide. We expect some rotation from growth to value as the growth premium at some point becomes too high. Markets seem poised for a solid if unremarkable year, barring a black swan event such as a complete economic collapse in China or a U.S. banking crisis.

**A Multipolar World in 2024**

The world looks very different from last year, as 2023 saw an increase in armed conflict, AI adoption and regulation, and continued economic uncertainty. While western economies did better than expected, they are not out of the woods yet and interest rates may stay higher for longer.

China's economic growth has declined and there are predictions that China could fall into deflation, making the market less appealing to global retailers. It appears that Covid reshaped the way its leaders view the world and they are unlikely to change their emphasis on security over growth. In addition, new

regulations are making it even harder for foreign firms to do business in China. Many fund managers are choosing to allocate capital elsewhere due to the perceived increase in geopolitical risk and President Xi's support for Russia and the war in Ukraine has spooked many investors.

Brazil, Russia, India, China, and South Africa (BRICS) will be joined in their bloc by five more countries now that Argentina has formally withdrawn. The addition of Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE signifies how geopolitics are changing as the world becomes more multipolar and challenging to the G-7 and the West. The new BRICS bloc will meet in Russia in October of 2024, and collectively account for almost half of the world's population and almost a third of the world's GDP.

*The Economist* published their newest Democracy Index in the middle of February. The scores for 2023 are similar to last year with the exception of Greece, India, Austria, and Poland improving and South Africa, Brazil, Peru, Pakistan, Colombia, Indonesia, Thailand and Russia backsliding to more authoritarian.

### Global Elections

For the first time in history, more than half the population of the entire world (almost 2 billion people in over 70 countries) will be heading to the polls. Many worry that AI will make election rigging easier due to the expected increase in the volume of disinformation and fake videos by opposition leaders in 2024. Unfortunately this may sway voters especially in countries with low literacy and less free press.

**Challenges for Democracy:** There will be a number of particularly concerning elections this year. In Russia, where Putin illegally changed the constitution in 2020, we will undoubtedly see Putin serve as Russia's president for a third consecutive term and fifth total. In India, Indonesia and Bangladesh elections will be challenged by trends in growing illiberalism. In Africa, which will have the largest number of elections, frequent coups against more democratic leaders have led to more people being willing to go along with a military government.

**Good News for Democracy:** On January 13, 2024, Taiwan held elections where China was the central theme of the campaign as the Communist Party of China still claims it as its territory and threatens military attack. The people elected William Lai of the Democratic Progressive Party as president, and he is committed to maintain Taiwan's independence. Additionally, it is expected that Mexico will elect its first female president and both leading candidates are less populist than the incumbent. Another positive trend can be seen in Britain where the Labour Party is predicted to win after 14 years of Tory rule.

**Investing to Grow Democracies**

Our investment thesis that countries with higher levels of democracy may outperform more authoritarian regimes due to rule of law, free and fair elections, less corruption and shifting global supply chains remains intact. Tilting toward more democratic nations may positively impact returns while aligning with investor values to support the growth of democracies.

We are optimistic for 2024 and are even more proud of strategy than we were when we launched the Democracy International Fund in March of 2021. Please consider sharing our mission to shift capital to support democracies with others interested in seeing democracies grow.

Your Democracy Investments Team,

Julie Cane, Christopher Browne, CFA, and Richard Rikoski, PhD

## Risk Disclosure and Important Information

This letter represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the fund or any security in particular. This research is provided for educational purposes only. Democracy Investments claims no responsibility for its accuracy, or the reliability of the data provided.

Carefully consider the fund's investment objectives, risk factors, charges, and expenses before investing. This and additional information can be found in the Fund's summary or full prospectus, which may be obtained at [www.democracyinvestments.com](http://www.democracyinvestments.com). Please read the prospectus carefully before investing. A hard copy of the prospectus can be requested by calling 877-PRO-DMCY (877-776-3629) or emailing [DemocracyETF@seic.com](mailto:DemocracyETF@seic.com).

Investing involves risk, including the possible loss of principal. There is no guarantee or assurance that the methodology used to create the Index will result in the Fund achieving positive investment returns or outperforming other investment products.

The fund is subject to the risks associated with international investments, which may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic, or political instability in other nations; emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume; and investments in smaller companies typically exhibit higher volatility.

The funds are distributed by SEI Investments Distribution Co, which is not affiliated with Democracy Investment Management LLC.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

*The information provided herein represents the opinion of the manager at a specific point in time and is not intended to be a forecast of future events, a guarantee of future results nor investment advice. Past performance is not a guarantee of future results.*

### Definition of the Comparative Indices

**Democracy Investments International Index** is comprised of companies located across the globe, but weights more heavily in the aggregate companies located in countries that are democracy-friendly and weights less heavily in the aggregate companies located in countries with authoritarian regimes.

**Democracy Investments Index Provider LLC (the "Index Provider")**, the Fund's index provider and an affiliate of the Adviser, analyzes the degree to which a country is democratic or authoritarian by looking to the "Democracy Score" assigned to that country by The Economist Group, Limited's Democracy Index.

**Solactive GBS Global Markets ex US Large & Mid Cap Index** consists of over 2,900 individual companies representing 49 countries and intends to track the performance of the large and mid cap segment covering approximately the largest 85% of the freefloat market capitalization in global markets (as determined by Solactive AG ("Solactive")), excluding the United States. The Index Provider first uses the country of risk assigned by Bloomberg L.P. to each company in the Solactive Index to determine the country in which each such company is located. The Index Provider then multiplies each company's market capitalization weighting in the Solactive Index by the Democracy Score of the country in which the company is determined to be located and normalizes the products to sum to 100%.

**MSCI ACWI ex US Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries\*. With 2,311 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.

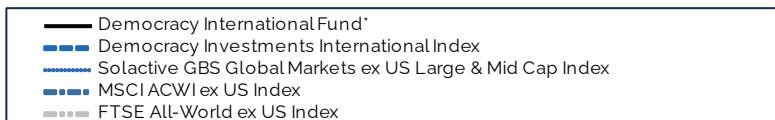
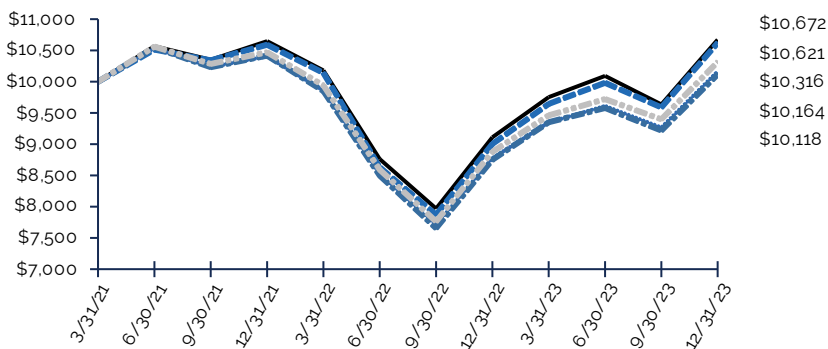
**FTSE All-World ex US Index** is one of a number of indexes designed to help investors benchmark their international investments. The index comprises Large and Mid cap stocks providing coverage of Developed and Emerging Markets excluding the US. The index is derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalization.



Comparison of Change in the Value of a \$10,000 Investment in the Democracy International Fund versus Democracy Investments International Index.

AVERAGE ANNUAL TOTAL RETURN FOR YEAR ENDED DECEMBER 31, 2023			
One Year Return		Annualized Inception to Date*	
Net Asset Value	Market Price	Net Asset Value	Market Price
17.13%	16.60%	2.39%	2.37%
17.95%	17.95%	2.21%	2.21%
15.82%	15.82%	0.59%	0.59%
15.62%	15.62%	0.43%	0.43%
16.20%	16.20%	1.14%	1.14%

Democracy International Fund  
Democracy Investments International Index  
Solactive GBS Global Markets ex US Large & Mid Cap Index  
MSCI ACWI ex US Index  
FTSE All-World ex US Index



\* Commenced operations on March 31, 2021.

The performance data quoted herein represents past performance and the return and value of an investment in the Fund will fluctuate so that, when redeemed, may be worth less than its original cost.

The Fund's performance assumes the reinvestment of dividends and capital gains. Index returns assume reinvestment of dividends and, unlike a fund's returns, do not reflect any fees or expenses. If such fees and expenses were included in the index returns, the performance would have been lower.

Please note that one cannot invest directly in an unmanaged index.

There are no assurances that the Fund will meet its stated objectives.

The Fund's holdings and allocations are subject to change, because it is actively managed and should not be considered recommendations to buy individual securities.

Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

See definition of comparative indices on page 6.

## SECTOR WEIGHTING (Unaudited)†

46.7%	Exchange Traded Funds
11.1%	Financials
7.7%	Industrials
7.2%	Health Care
5.1%	Information Technology
4.9%	Materials
4.7%	Consumer Discretionary
4.4%	Energy
4.3%	Consumer Staples
2.1%	Utilities
1.5%	Communication Services
0.3%	Real Estate

† Percentages are based on total investments.

## SCHEDULE OF INVESTMENTS

## COMMON STOCK — 52.8%

	Shares	Fair Value
<b>Australia — 0.4%</b>		
BHP Group .....	684	\$ 23,451
Woodside Energy Group .....	121	2,565
		<u>26,016</u>
<b>Belgium — 0.3%</b>		
Ageas .....	163	7,078
Anheuser-Busch InBev .....	245	15,811
		<u>22,889</u>
<b>Brazil — 0.3%</b>		
Vale ADR, Cl B .....	875	13,877
Wheaton Precious Metals .....	219	10,857
		<u>24,734</u>
<b>Canada — 8.4%</b>		
Agnico Eagle Mines .....	186	10,248
Alimentation Couche-Tard .....	410	24,262
Bank of Montreal .....	302	30,028
Bank of Nova Scotia .....	505	24,702
Barrick Gold .....	722	13,108
BCE .....	434	17,171
Brookfield, Cl A .....	679	27,369
Brookfield Asset Management, Cl A .....	178	7,184
Canadian Imperial Bank of Commerce .....	449	21,725

The accompanying notes are an integral part of the financial statements.

## COMMON STOCK (continued)

	Shares	Fair Value
<b>Canada (continued)</b>		
Canadian National Railway . . . . .	276	\$ 34,861
Canadian Natural Resources . . . . .	563	37,065
Canadian Pacific Kansas City . . . . .	375	29,816
Cenovus Energy . . . . .	576	9,645
CGI, Cl A* . . . . .	150	16,148
Enbridge . . . . .	806	29,157
Fortis . . . . .	292	12,071
Manulife Financial . . . . .	1,060	23,538
Nutrien . . . . .	254	14,380
Rogers Communications, Cl B . . . . .	224	10,538
Royal Bank of Canada . . . . .	556	56,502
Shopify, Cl A* . . . . .	421	32,937
Sun Life Financial . . . . .	386	20,117
Suncor Energy . . . . .	615	19,799
TC Energy . . . . .	435	17,075
TELUS . . . . .	780	13,948
Toronto-Dominion Bank . . . . .	713	46,297
Waste Connections . . . . .	129	19,357
		<u>619,048</u>
<b>China — 0.6%</b>		
NXP Semiconductors . . . . .	119	27,332
Prosus . . . . .	667	19,881
		<u>47,213</u>
<b>Denmark — 2.5%</b>		
Coloplast, Cl B . . . . .	92	10,525
DSV . . . . .	105	18,446
Genmab* . . . . .	31	9,899
Novo Nordisk, Cl B . . . . .	1,164	120,413
Orsted . . . . .	106	5,879
Vestas Wind Systems* . . . . .	509	16,164
		<u>181,326</u>
<b>Finland — 0.8%</b>		
Kone, Cl B . . . . .	242	12,072
Neste . . . . .	217	7,721
Nokia . . . . .	2,482	8,368
Nordea Bank . . . . .	1,572	19,494

*The accompanying notes are an integral part of the financial statements.*

## COMMON STOCK (continued)

	Shares	Fair Value
<b>Finland (continued)</b>		
UPM-Kymmene . . . . .	334	\$ 12,567
		<u>60,222</u>
<b>France — 7.5%</b>		
Air Liquide . . . . .	216	42,023
Airbus . . . . .	248	38,293
AXA . . . . .	860	28,016
BNP Paribas . . . . .	382	26,412
Capgemini . . . . .	93	19,391
Cie de Saint-Gobain . . . . .	265	19,514
Danone . . . . .	231	14,974
Dassault Systemes . . . . .	438	21,403
Engie . . . . .	665	11,693
EssilorLuxottica . . . . .	123	24,674
Euroapi* . . . . .	129	816
Hermes International SCA . . . . .	11	23,316
Legrand . . . . .	190	19,750
L'Oreal . . . . .	75	37,336
LVMH Moet Hennessy Louis Vuitton . . . . .	89	72,123
Orange . . . . .	410	4,667
Safran . . . . .	150	26,422
Sanofi . . . . .	329	32,622
TotalEnergies . . . . .	873	59,405
Vinci . . . . .	242	30,395
Worldline* . . . . .	159	2,752
		<u>555,997</u>
<b>Germany — 5.4%</b>		
adidas . . . . .	68	13,833
Allianz . . . . .	124	33,142
BASF . . . . .	403	21,716
Bayer . . . . .	347	12,891
Bayerische Motoren Werke . . . . .	148	16,476
BioNTech ADR* . . . . .	34	3,588
Daimler Truck Holding . . . . .	231	8,681
Deutsche Bank . . . . .	738	10,079
Deutsche Boerse . . . . .	88	18,130
Deutsche Post . . . . .	397	19,671

The accompanying notes are an integral part of the financial statements.

## COMMON STOCK (continued)

	Shares	Fair Value
<b>Germany (continued)</b>		
Deutsche Telekom .....	1,243	\$ 29,865
Deutsche Wohnen .....	104	2,750
E.ON .....	916	12,294
Fresenius & Co. ....	203	6,295
Infineon Technologies .....	596	24,886
Mercedes-Benz Group .....	312	21,558
RWE .....	285	12,965
SAP .....	385	59,320
Siemens .....	304	57,062
Vonovia .....	360	11,350
Zalando* .....	182	4,312
		<u>400,864</u>
<b>Ireland — 0.7%</b>		
CRH PLC .....	387	26,690
Flutter Entertainment PLC* .....	85	15,023
ICON PLC* .....	40	11,323
		<u>53,036</u>
<b>Israel — 0.0%</b>		
Tower Semiconductor* .....	60	1,845
<b>Italy — 1.9%</b>		
Enel .....	2,843	21,136
Eni .....	1,176	19,938
Ferrari .....	59	19,891
Intesa Sanpaolo .....	9,496	27,730
Snam .....	1,697	8,726
Stellantis .....	1,065	24,882
UniCredit .....	704	19,104
		<u>141,407</u>
<b>Netherlands — 2.8%</b>		
Akzo Nobel .....	121	10,001
ASML Holding .....	156	117,475
Heineken .....	85	8,633
ING Groep .....	1,641	24,519
Koninklijke Ahold Delhaize .....	455	13,075
Koninklijke Philips* .....	542	12,624

The accompanying notes are an integral part of the financial statements.

## COMMON STOCK (continued)

	Shares	Fair Value
<b>Netherlands (continued)</b>		
Wolters Kluwer .....	129	\$ 18,340
		<u>204,667</u>
<b>Singapore — 0.3%</b>		
STMicroelectronics .....	394	19,677
<b>South Korea — 0.0%</b>		
Delivery Hero* .....	100	2,763
<b>Spain — 1.6%</b>		
Amadeus IT Group .....	265	18,992
Banco Santander .....	7,145	29,831
Iberdrola .....	2,491	32,663
Industria de Diseno Textil .....	605	26,352
Telefonica .....	2,411	9,412
		<u>117,250</u>
<b>Sweden — 2.8%</b>		
Alleima .....	477	3,627
Atlas Copco, Cl A .....	2,294	37,442
Castellum* .....	477	6,783
Essity, Cl B .....	311	7,715
Evolution .....	93	11,094
H & M Hennes & Mauritz, Cl B .....	609	10,673
Hexagon, Cl B .....	1,554	18,650
Investor, Cl B .....	1,504	34,847
Kinnevik, Cl B* .....	430	4,612
Nibe Industrier, Cl B .....	1,097	7,707
Sandvik .....	758	16,404
Swedbank .....	562	11,337
Telefonaktiebolaget LM Ericsson, Cl B .....	1,550	9,707
Volvo, Cl B .....	927	24,072
		<u>204,670</u>
<b>Switzerland — 6.6%</b>		
ABB .....	797	35,321
Accelleron Industries .....	85	2,652
Alcon .....	240	18,717
Cie Financiere Richemont, Cl A .....	185	25,443
Holcim .....	241	18,904

The accompanying notes are an integral part of the financial statements.

## COMMON STOCK (continued)

	Shares	Fair Value
<b>Switzerland (continued)</b>		
Lonza Group . . . . .	36	\$ 15,129
Nestle . . . . .	932	107,978
Novartis . . . . .	725	73,107
Roche Holding . . . . .	242	70,301
Sandoz Group* . . . . .	145	4,662
Sika . . . . .	85	27,642
Swiss Re . . . . .	126	14,156
UBS Group . . . . .	1,446	44,840
Zurich Insurance Group . . . . .	55	28,727
		<u>487,579</u>
<b>United Kingdom — 9.9%</b>		
Anglo American PLC . . . . .	447	11,229
Ashtead Group PLC . . . . .	246	17,129
AstraZeneca PLC . . . . .	482	65,132
BAE Systems PLC . . . . .	1,442	20,414
Barclays PLC . . . . .	6,694	13,123
Barratt Developments PLC . . . . .	1,207	8,657
BP PLC . . . . .	6,227	37,004
British American Tobacco PLC . . . . .	752	22,006
Compass Group PLC . . . . .	804	21,995
Croda International PLC . . . . .	139	8,948
Diageo PLC . . . . .	849	30,910
Experian PLC . . . . .	504	20,573
Glencore PLC . . . . .	4,695	28,256
GSK PLC . . . . .	1,388	25,660
Haleon PLC . . . . .	1,919	7,869
HSBC Holdings PLC . . . . .	6,726	54,489
Informa PLC . . . . .	1,211	12,060
Just Eat Takeaway.com* . . . . .	128	1,949
Legal & General Group PLC . . . . .	4,161	13,319
Lloyds Banking Group PLC . . . . .	30,803	18,735
London Stock Exchange Group PLC . . . . .	182	21,517
Mondi PLC . . . . .	488	9,565
National Grid PLC . . . . .	1,585	21,377
Prudential PLC . . . . .	1,187	13,425
Reckitt Benckiser Group PLC . . . . .	229	15,822

The accompanying notes are an integral part of the financial statements.



**COMMON STOCK (continued)**

	Shares	Fair Value
<b>United Kingdom (continued)</b>		
RELX PLC .....	900	\$ 35,681
Shell PLC .....	2,541	83,297
Smith & Nephew PLC .....	663	9,115
SSE PLC .....	618	14,622
Standard Chartered PLC .....	1,328	11,285
Taylor Wimpey PLC .....	4,223	7,916
Unilever PLC .....	854	41,370
Vodafone Group PLC .....	11,813	10,325
		<u>734,774</u>
Total Common Stock (Cost \$3,548,927) .....		<u>3,905,977</u>

**EXCHANGE TRADED FUNDS — 46.5%**

iShares MSCI Australia ETF .....	6,964	169,504
iShares MSCI Austria ETF .....	1,379	29,800
iShares MSCI Brazil ETF .....	1,905	66,599
iShares MSCI Chile ETF .....	553	15,600
iShares MSCI China ETF .....	366	14,911
iShares MSCI India ETF .....	4,026	196,509
iShares MSCI Indonesia ETF .....	1,035	23,101
iShares MSCI Israel ETF .....	929	54,059
iShares MSCI Japan ETF .....	2,570	164,840
iShares MSCI Malaysia ETF .....	625	13,281
iShares MSCI Mexico ETF .....	455	30,872
iShares MSCI Philippines ETF .....	629	16,348
iShares MSCI Poland ETF .....	1,375	31,144
iShares MSCI South Africa ETF .....	906	37,862
iShares MSCI Taiwan ETF .....	5,131	236,180
iShares MSCI Thailand ETF .....	338	21,585
Vanguard FTSE Emerging Markets ETF .....	11,684	480,212
Vanguard FTSE Pacific ETF .....	25,547	1,840,150
Total Exchange Traded Funds (Cost \$3,305,518) .....		<u>3,442,557</u>

*The accompanying notes are an integral part of the financial statements.*

**PREFERRED STOCK — 0.3%**

	<u>Shares</u>	<u>Fair Value</u>
<b>Germany — 0.3%</b>		
Henkel & Co <sup>#</sup> .....	127	\$ 10,222
Volkswagen <sup>#</sup> .....	91	<u>11,238</u>
Total Preferred Stock		
(Cost \$21,611) .....		<u>21,460</u>
Total Investments - 99.6%		
(Cost \$6,876,056) .....		<u>\$ 7,369,994</u>

Percentages are based on Net Assets of \$7,396,725.

- \* Non-income producing security.  
# There is currently no rate available.

ADR — American Depositary Receipt

CL — Class

ETF — Exchange-Traded Fund

FTSE — Financial Times Stock Exchange

MSCI — Morgan Stanley Capital International

PLC — Public Limited Company

As of December 31, 2023, all of the Fund's investments were considered Level 1, in accordance with the authoritative guidance fair value measurements and disclosure under U.S. generally accepted accounting principles.

For more information on valuation inputs, see Note 2 — Significant Accounting Policies in the Notes to Financial Statements.

*The accompanying notes are an integral part of the financial statements.*

## STATEMENT OF ASSETS AND LIABILITIES

**Assets:**

Investments, at Value (Cost \$6,876,056).....	\$ 7,369,994
Foreign Currency, at Value (Cost \$2,138).....	2,209
Cash.....	94,673
Reclaim Receivable.....	22,746
Dividend and Interest Receivable.....	3,619
Other Prepaid Expenses.....	1,530

<b>Total Assets</b> .....	<u>7,494,771</u>
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**Liabilities:**

Income Distributions Payable.....	94,770
Payable to Investment Adviser.....	3,276

<b>Total Liabilities</b> .....	<u>98,046</u>
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<b>Net Assets</b> .....	<u>\$ 7,396,725</u>
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**Net Assets Consist of:**

Paid-in Capital.....	\$ 7,254,883
Total Distributable Earnings.....	<u>141,842</u>

<b>Net Assets</b> .....	<u>\$ 7,396,725</u>
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Outstanding Shares of beneficial interest (unlimited authorization — no par value).....	300,000
Net Asset Value, Offering and Redemption Price Per Share.....	<u>\$ 24.66</u>

*The accompanying notes are an integral part of the financial statements.*

## STATEMENT OF OPERATIONS

<b>Investment Income:</b>	
Dividends .....	\$ 309,623
Interest.....	1,386
Less: Foreign Taxes Withheld .....	(19,250)
<b>Total Investment Income</b> .....	<u>291,759</u>
<b>Expenses:</b>	
Investment Advisory Fees.....	46,058
<b>Total Expenses</b> .....	<u>46,058</u>
<b>Less:</b>	
Waiver of Investment Advisory Fees.....	(10,727)
<b>Net Expenses</b> .....	<u>35,331</u>
<b>Net Investment Income</b> .....	<u>256,428</u>
<b>Net Realized Gain (Loss) on:</b>	
Investments.....	(301,192)
Foreign Currency Transactions.....	(6,176)
<b>Net Realized Gain (Loss)</b> .....	<u>(307,368)</u>
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>	
Investments.....	1,290,382
Foreign Currency Translation.....	874
<b>Net Change in Unrealized Appreciation (Depreciation)</b> .....	<u>1,291,256</u>
<b>Net Realized and Unrealized Gain (Loss)</b> .....	<u>983,888</u>
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u>\$ 1,240,316</u>

The accompanying notes are an integral part of the financial statements.

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December <u>31, 2023</u>	Year Ended December <u>31, 2022</u>
<b>Operations:</b>		
Net Investment Income.....	\$ 256,428	\$ 151,818
Net Realized Gain (Loss) .....	(307,368)	(14,874)
Net Change in Unrealized Appreciation (Depreciation) .....	<u>1,291,256</u>	<u>(776,644)</u>
<b>Net Increase (Decrease) in Net Assets Resulting From Operations.....</b>	<u>1,240,316</u>	<u>(639,700)</u>
<b>Distributions: .....</b>	<u>(293,915)</u>	<u>(126,543)</u>
<b>Capital Share Transactions:</b>		
Issued.....	6,395,810	2,394,420
Redeemed .....	<u>(4,832,285)</u>	<u>-</u>
<b>Net Increase in Net Assets From Capital Share Transactions.....</b>	<u>1,563,525</u>	<u>2,394,420</u>
<b>Total Increase in Net Assets.....</b>	<u>2,509,926</u>	<u>1,628,177</u>
<b>Net Assets:</b>		
Beginning of Year .....	<u>4,886,799</u>	<u>3,258,622</u>
End of Year .....	<u>\$ 7,396,725</u>	<u>\$ 4,886,799</u>
<b>Share Transactions:</b>		
Issued.....	275,000	100,000
Redeemed .....	<u>(200,000)</u>	<u>-</u>
<b>Net Increase in Shares Outstanding From Share Transactions.....</b>	<u>75,000</u>	<u>100,000</u>

Amounts designated as "-" are \$0.

The accompanying notes are an integral part of the financial statements.

## FINANCIAL HIGHLIGHTS

	Selected Per Share Data & Ratios For a Share Outstanding Throughout the Year/Period		
	Year Ended December 31, 2023	Year Ended December 31, 2022	Period Ended December 31, 2021 <sup>(1)</sup>
Net Asset Value, Beginning of Year/ Period .....	\$21.72	\$26.07	\$25.00
Income (Loss) from Investment Operations:			
Net Investment Income* .....	0.65	0.76	0.60
Net Realized and Unrealized Gain (Loss) .....	3.04	(4.54)	1.02
Total from Investment Operations.....	3.69	(3.78)	1.62
Dividends and Distributions:			
Net Investment Income.....	(0.75)	(0.57)	(0.55)
Total Dividends and Distributions .....	(0.75)	(0.57)	(0.55)
Net Asset Value, End of Year/Period.....	\$24.66	\$21.72	\$26.07
<b>Total Return† .....</b>	<b>17.13%</b>	<b>(14.44)%</b>	<b>6.49%</b>
<b>Ratios and Supplemental Data</b>			
Net Assets, End of Year/Period (Thousands).....	\$7.397	\$4.887	\$3.259
Ratio of Expenses to Average Net Assets <sup>(2)</sup> .....	0.38%	0.37%	0.38%††
Ratio of Expenses to Average Net Assets (Excluding Waivers) <sup>(2)</sup> .....	0.50%	0.50%	0.50%††
Ratio of Net Investment Income to Average Net Assets .....	2.78%	3.41%	3.03%††
Portfolio Turnover Rate‡.....	55%	–%	4%

\* Per share calculations were performed using average shares for the period.

† Total return is for the period indicated and has not been annualized. Returns shown do not reflect the deductions of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

†† Annualized

‡ Portfolio turnover rate is for the period indicated and periods of less than one year have not been annualized. Excludes effect of in-kind transfers.

(1) Commenced operations on March 31, 2021.

(2) Excludes expenses incurred indirectly as a result of investments in underlying funds.

Amounts designated as "–" are \$0.

The accompanying notes are an integral part of the financial statements.

**NOTES TO FINANCIAL STATEMENTS****1. Organization:**

The Advisors' Inner Circle Fund III (the "Trust") is organized as a Delaware statutory trust under a Declaration of Trust dated December 4, 2013. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company with 65 funds. The financial statements herein are those of the Democracy International Fund (the "Fund"). The investment objective of the Fund is to track the total return performance, before fees and expenses, of the Democracy Investments International Index (the "Index"). The Fund is classified as a "diversified" investment company and operates as an exchange traded fund ("ETF"). Democracy Investment Management LLC (the "Adviser") serves as the investment adviser to the Fund. Vident Advisory, LLC (the "Sub-Adviser"), a Delaware limited liability company, serves as sub-adviser. Prior to July 14, 2023, Vident Investment Advisory, LLC ("VIA" or the "Prior Sub-Adviser") served as sub-adviser to the Fund. The Fund commenced operations on March 31, 2021. The financial statements of the remaining funds of the Trust are presented separately. The assets of each fund are segregated, and a shareholder's interest is limited to the fund in which shares are held.

Shares of the Funds are listed and traded on the NYSE Arca (the "Exchange"), Inc. Market prices for the Fund shares ("Shares") may be different from their net asset value ("NAV"). The Fund issues and redeems Shares on a continuous basis, at NAV only in a large specified number of Shares, called "Creation Units." Creation Units are to be issued and redeemed principally in kind for a basket of securities and a balancing cash amount. Shares generally will trade in the secondary market in amounts less than a Creation Unit at market prices that change throughout the day.

**2. Significant Accounting Policies:**

The following are significant accounting policies, which are consistently followed in the preparation of the financial statements of the Fund. The Fund is an investment company that applies the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board ("FASB").

*Use of Estimates* — The preparation of financial statements, in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during

the reporting period. Actual results could differ from those estimates and such differences could be material.

*Security Valuation* — Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on NASDAQ), including securities traded over the counter, are valued at the last quoted sale price on an exchange or market (foreign or domestic) on which they are traded or, if there is no such reported sale on the valuation date, at the most recent quoted bid price. For securities traded on NASDAQ, the NASDAQ official closing price will be used. The prices for foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates. Prices for most securities held in the Fund are provided daily by recognized independent pricing agents. If a security price cannot be obtained from an independent, third-party pricing agent, the Fund seeks to obtain a bid price from at least one independent broker.

Securities for which market prices are not "readily available" are valued in accordance with fair value procedures (the "Fair Value Procedures") established by the Adviser and approved by the Trust's Board of Trustees (the "Board"). Pursuant to Rule 2a-5 under the 1940 Act, the Board has designated the Adviser as the "valuation designee" to determine the fair value of securities and other instruments for which no readily available market quotations are available. The Fair Value Procedures are implemented through a Fair Value Committee (the "Committee") of the Adviser.

Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security's trading has been halted or suspended; the security has been de-listed from a national exchange; the security's primary trading market is temporarily closed at a time when under normal conditions it would be open; the security has not been traded for an extended period of time; the security's primary pricing source is not able or willing to provide a price; or trading of the security is subject to local government imposed restrictions. When a security is valued in accordance with the Fair Value Procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee.

In accordance with U.S. GAAP, the Fund discloses fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy



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gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 — Other significant observable inputs (includes quoted prices for similar securities, interest rates, prepayment speeds, credit risk, referenced indices, quoted prices in inactive markets, adjusted quoted prices in active markets, adjusted quoted prices on foreign equity securities that were adjusted in accordance with the Adviser's pricing procedures, etc.); and
- Level 3 — Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Investments are classified within the level of the lowest significant input considered in determining fair value. Investments classified within Level 3 whose fair value measurement considers several inputs may include Level 1 or Level 2 inputs as components of the overall fair value measurement.

For details of investment classifications, reference the Schedule of Investments.

*Federal Income Taxes* — It is the Fund's intention to continue to qualify as a regulated investment company for Federal income tax purposes by complying with the appropriate provisions of Subchapter M of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for Federal income taxes has been made in the financial statements.

The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether it is "more-likely-than-not" (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current period. The Fund did not record any tax provision in the current period. However, management's conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities (i.e., from commencement of operations, as applicable), on-going analysis of and changes to tax laws, regulations and interpretations thereof.

As of and during the year ended December 31, 2023, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period, the Fund did not incur any interest or penalties.

*Security Transactions and Investment Income* — Security transactions are accounted for on trade date. Costs used in determining realized gains and losses on the sale of investment securities are based on the specific identification method. Dividend income and expense are recorded on the ex-dividend date. Dividend income is recorded net of unrecoverable withholding tax. Interest income is recognized on the accrual basis from settlement date. Certain dividends and expenses from foreign securities will be recorded as soon as the Fund is informed of the dividend if such information is obtained subsequent to the ex-dividend date.

*Foreign Currency Translation* — The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars on the date of valuation. The Fund does not isolate that portion of realized or unrealized gains and losses resulting from changes in the foreign exchange rate from fluctuations arising from changes in the market prices of the securities. These gains and losses are included in net realized gain (loss) on investments and net change in unrealized appreciation (depreciation) on investments on the Statement of Operations. Net realized gain (loss) on foreign currency transactions and net change in unrealized appreciation (depreciation) on translation of assets and liabilities denominated in foreign currencies represent net foreign exchange gains or losses from foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions and the difference between the amount of the investment income and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid.

*Expenses* — Most expenses of the Trust can be directly attributed to a particular fund. Expenses which cannot be directly attributed to a particular fund are apportioned among the funds of the Trust based on the number of funds and/or relative net assets.

*Cash* — Idle cash may be swept into various time deposit accounts and is classified as cash on the Statement of Assets and Liabilities. The Fund maintains cash in bank deposit accounts which, at times may exceed United States federally insured limits. Amounts invested are available on the same business day.

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*Dividends and Distributions to Shareholders* — The Fund distributes its net investment income, if any, at least quarterly, and makes distributions of its net realized capital gains, if any, at least annually. If you own Fund shares on the Fund's record date, you will be entitled to receive the distribution.

*Creation Units* — The Fund issues and redeems Shares at NAV and only in large blocks of Shares (each block of Shares for a Fund is a Creation Unit of 25,000 Shares, or multiples thereof).

Except when aggregated in Creation Units, Shares are not redeemable securities of a Fund. Shares of a Fund may only be purchased or redeemed by certain Authorized Participants. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company ("DTC") participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors will not qualify as Authorized Participants or have the resources to buy and sell whole Creation Units. Therefore, they will be unable to purchase or redeem the Shares directly from a Fund. Rather, most retail investors will purchase Shares in the secondary market with the assistance of a broker and will be subject to customary brokerage commissions or fees when buying or selling Shares. If a Creation Unit is purchased or redeemed for cash, a higher transaction fee will be charged.

To the extent contemplated by an Authorized Participant Agreement, in the event an Authorized Participant has submitted a redemption request in proper form but is unable to transfer all or part of the shares comprising a Creation Unit to be redeemed to SEI Investments Distribution Co. (the "Distributor"), on behalf of the Fund, by the time as set forth in the Authorized Participant Agreement, the Distributor may nonetheless accept the redemption request in reliance on the undertaking by the Authorized Participant to deliver the missing shares as soon as possible, which undertaking shall be secured by the Authorized Participant's delivery and maintenance of collateral equal to a percentage of the value of the missing shares as specified in the Authorized Participant Agreement. An Authorized Participant Agreement may permit the Fund to use such collateral to purchase the missing shares, and could subject an Authorized Participant to liability for any shortfall between the cost of the Fund acquiring such shares and the value of the collateral. Amounts are disclosed as Segregated Cash Balance from Authorized Participants for Deposit Securities and Collateral Payable upon Return of Deposit Securities on the Statement of Assets and Liabilities, when applicable.

The following table discloses the value/cost of one creation unit, creation transaction fee and redemption transaction fee for each transaction in a Creation Unit as of December 31, 2023:

<b>Creation Unit Shares</b>	<b>Creation Transaction Fee</b>	<b>Value at December 31, 2023</b>	<b>Redemption Transaction Fee</b>
25,000	\$ 3,000	\$ 616,500	\$ 3,000

### 3. Transactions with Affiliates:

Certain officers of the Trust are also employees of SEI Investments Global Funds Services (the "Administrator"), a wholly owned subsidiary of SEI Investments Company, and/or SEI Investments Distribution Co. (the "Distributor"). Such officers are paid no fees by the Trust, other than the Chief Compliance Officer ("CCO") as described below, for serving as officers of the Trust.

The services provided by the CCO and his staff are paid for by the Trust as incurred. The services include regulatory oversight of the Trust's Advisors and service providers as required by SEC regulations. The CCO's services and fees have been approved by and are reviewed by the Board.

### 4. Administration, Distribution, Custodian and Transfer Agent Agreements:

The Fund and the Administrator are parties to an Administration Agreement under which the Administrator provides administration services to the Fund. For these services, the Administrator is paid an asset based fee, which will vary depending on the number of share classes and the average daily net assets of the Fund. For the year ended December 31, 2023, the Fund did not incur any fees for these services.

The Trust has adopted a Distribution Plan (the "Plan") applicable to the Fund in accordance with the provisions of Rule 12b-1 under the 1940 Act, which regulates circumstances under which an investment company may directly or indirectly bear expenses relating to the distribution of its shares.

Under the Plan, the Distributor or financial intermediaries may receive up to 0.25% of the average daily net assets of the Fund as compensation for distribution and shareholder services. For the year ended December 31, 2023, the Fund did not incur any fees for these services.

Brown Brothers Harriman & Co. acts as custodian (the "Custodian") for the Fund. The Custodian plays no role in determining the investment policies of the Fund or which securities are to be purchased or sold by the Fund.

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Brown Brothers Harriman & Co. serves as the transfer agent and dividend disbursing agent for the Fund under a transfer agency agreement with the Trust.

##### **5. Investment Advisory Agreement and Sub-Advisory Agreement:**

Under the terms of an investment advisory agreement, the Adviser provides investment advisory services to the Fund at a fee calculated at an annual rate of 0.50% of the Fund's average daily net assets.

The Adviser has agreed to pay all expenses incurred by the Fund except for the advisory fee, interest, taxes, brokerage commissions and other expenses incurred in placing or settlement of orders for the purchase and sale of securities and other investment instruments, non-routine expenses, and distribution and service fees and expenses paid by the Fund under any plan adopted pursuant to Rule 12b-1 under the 1940 Act. The Adviser, in turn, compensates the Sub-Adviser from the management fee it receives from the Fund.

The Adviser has contractually agreed to waive fees and reimburse expenses in the amount of the Acquired Fund Fees and Expenses incurred by the Fund until April 30, 2024. This agreement may be terminated: (i) by the Board, for any reason at any time; or (ii) by the Adviser, upon ninety (90) days' prior written notice to the Trust, effective as of the close of business on April 30, 2024. For the year ended December 31, 2023, the Adviser waived fees of \$10,727 which will not be available for recapture.

On September 26, 2023, the Adviser and the Sub-Adviser entered into an investment sub-advisory agreement with respect to the Fund (the "Sub-Advisory Agreement"). Pursuant to the Sub-Advisory Agreement, the Sub-Adviser is responsible for trading portfolio securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions, pre- and post-trade compliance, and monitoring of Fund trading activity, subject to the supervision of the Adviser and the Board.

For its services, the Sub-Adviser is entitled to a fee from the Adviser, which fee is calculated daily and paid monthly, at an annual rate of 0.07% based on the average daily net assets of the Fund for assets up to \$250 million, 0.06% based on the average daily net assets of the Fund when assets exceed \$250 million, and 0.05% based on the average daily net assets of the Fund when assets exceed \$500 million, subject to a minimum annual fee of \$45,000.

As part of an acquisition transaction that resulted in the change in control of VIA, the Sub-Adviser replaced the Prior Sub-Adviser, effective as of July 14, 2023. Prior to this date, the Prior Sub-Adviser served as subadvisor to the Fund pursuant to an investment sub-advisory agreement entered into between the Adviser and the Prior Sub-Adviser (the "Prior Sub-Advisory Agreement"). The

terms and fees of the Sub-Advisory Agreement are the same as the terms and fees of the Prior Sub-Advisory Agreement, except for the date.

## 6. Investment Transactions:

For the year ended December 31, 2023, the purchases and sales of investments in securities, excluding in-kind transactions, long-term U.S. Government and short-term securities were:

<u>Purchases</u>	<u>Sales and Maturities</u>
\$ 5,205,392	\$ 4,832,577

There were no purchases or sales of long-term U.S. Government securities by the Fund.

For the year ended December 31, 2023, in-kind transactions associated with creations and redemptions were:

<u>Purchases</u>	<u>Sales</u>	<u>Realized Gain</u>
\$ 1,172,060	\$ -	\$ -

## 7. Federal Tax Information:

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with Federal income tax regulations, which may differ from U.S. GAAP. As a result, net investment income (loss) and net realized gain/(loss) on investment transactions for a reporting period may differ significantly from distributions during the period. The book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to undistributed net investment income (loss), accumulated net realized gain (loss) or paid-in capital as appropriate, in the period that the difference arises.

At December 31, 2023, the Fund reclassified the following permanent amount between paid-in capital and distributable earnings, the reclassification is primarily related to non-deductible excise tax expense:

<u>Distributable Earnings</u>	<u>Paid-in Capital</u>
\$ 880	\$ (880)

The tax character of dividends and distributions declared during the fiscal years ended December 31, 2023 and December 31, 2022 were as follows:

	<u>Ordinary Income</u>		<u>Total</u>
2023	\$ 293,915	\$	293,915
2022	126,543		126,543

As of December 31, 2023, the components of distributable earnings on a tax basis were as follows:

Capital Loss Carryforwards	\$ (335,694)
Unrealized Appreciation	489,266
Other Temporary Differences	<u>(11,730)</u>
Total Distributable Earnings:	<u>\$ 141,842</u>

For Federal income tax purposes, capital loss carryforwards may be carried forward indefinitely and applied against all future gains. Losses carried forward are as follows:

<u>Short-Term Loss</u>	<u>Long-Term Loss</u>	<u>Total</u>
\$ 23,550	\$ 312,144	\$ 335,694

For Federal income tax purposes, the difference between book-basis and tax-basis unrealized appreciation (depreciation) is due to differences in the timing of recognition of gains and losses on investments for tax and book purposes. The Funds' net unrealized appreciation difference is attributable primarily to investments in Passive Foreign Investment Companies (PFICs). The Federal tax cost and aggregate gross unrealized appreciation and depreciation for securities held by the Fund at December 31, 2023, were as follows:

<u>Federal Tax Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
\$ 6,881,619	\$ 657,935	\$ (168,669)	\$ 489,266

## 8. Concentration of Risks:

As with all mutual funds, there is no guarantee that the Fund will achieve its investment objective. You could lose money by investing in the Fund. A Fund share is not a bank deposit and it is not insured or guaranteed by the FDIC or any government agency. The principal risk factors affecting shareholders' investments in the Fund are set forth below.

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**EQUITY MARKET RISK** — The risk that stock prices will fall over short or extended periods of time, sometimes rapidly and unpredictably. The value of equity securities will fluctuate in response to factors affecting a particular company, as well as broader market and economic conditions. Broad movements in financial markets may adversely affect the price of the Fund's investments, regardless of how well the companies in which the Fund invests perform. In addition, the impact of any epidemic, pandemic or natural disaster, or widespread fear that such events may occur, could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the prices and liquidity of the securities and other instruments in which the Fund invests, which in turn could negatively impact the Fund's performance and cause losses on your investment in the Fund. Moreover, in the event of a company's bankruptcy, claims of certain creditors, including bondholders, will have priority over claims of common stock holders such as the Fund.

**COMMON STOCK RISK** — The prices of common stock may fall over short or extended periods of time. Common stock generally is subordinate to preferred stock and debt upon the liquidation or bankruptcy of the issuing company.

**FOREIGN SECURITIES RISK** — Investing in foreign companies poses additional risks since political and economic events unique to a country or region will affect those markets and their issuers. These risks will not necessarily affect the U.S. economy or similar issuers located in the United States. Securities of foreign companies may not be registered with the U.S. Securities and Exchange Commission (the "SEC") and foreign companies are generally not subject to the same level of regulatory controls imposed on U.S. issuers and, as a consequence, there is generally less publicly available information about foreign securities than is available about domestic securities. Income from foreign securities owned by the Fund may be reduced by a withholding tax at the source, which tax would reduce income received from the securities comprising the Fund's portfolio. Foreign securities may also be more difficult to value than securities of U.S. issuers and foreign markets and securities may be less liquid. In addition, periodic U.S. Government restrictions on investments in issuers from certain foreign countries may require the Fund to sell such investments at inopportune times, which could result in losses to the Fund.

**EMERGING MARKETS RISK** — The Fund's investments in emerging markets securities are considered speculative and subject to heightened risks in addition to the general risks of investing in foreign securities. Unlike more established markets, emerging markets may have governments that are less stable, markets that are less liquid and economies that are less developed. In addition, the securities markets of emerging market countries may consist



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of companies with smaller market capitalizations and may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of investment income and capital. Furthermore, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization or creation of government monopolies. The Fund considers an emerging market country to be any country determined to be an emerging market country by Solactive's country classification framework.

**DEMOCRACY FOCUSED INVESTMENTS RISK** — The Index, and thus the Fund's portfolio, generally weights more heavily in the aggregate companies located in countries with higher Democracy Scores and weights less heavily in the aggregate companies located in countries with lower Democracy Scores. A company's financial performance is determined by a number of factors, and whether or not the company is located in a country with a higher Democracy Score may have little or no impact on whether the company performs well financially or positively affects the Fund's performance. Companies located in countries with higher Democracy Scores may underperform companies located in countries with lower Democracy Scores. The Fund may forego some market opportunities available to funds that do not invest in a company based on the Democracy Score of the country in which it is located and, therefore, the Fund may underperform such other funds.

In addition, the Index's methodology weights a company based on the product of its Democracy Score and market capitalization. Accordingly, the Fund may hold the securities of companies with large market capitalizations located in countries with lower Democracy Scores in greater weight than the securities of companies located in countries with higher Democracy Scores. In this regard, shareholders may have significant exposure to particular companies located in more authoritarian countries and will at all or most times have some exposure to companies located in more authoritarian countries.

**CURRENCY RISK** — As a result of the Fund's investments in securities or other investments denominated in, and/or receiving revenues in, foreign currencies, the Fund will be subject to currency risk. Currency risk is the risk that foreign currencies will decline in value relative to the U.S. dollar, resulting in the dollar value of an investment in the Fund being adversely affected. Currency exchange rates may fluctuate in response to, among other things, changes in interest rates, intervention (or failure to intervene) by U.S. or foreign governments, central banks or supranational entities, or by the imposition of currency controls or other political developments in the United States or abroad.

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**GEOGRAPHIC FOCUS RISK** — To the extent that it focuses its investments in a particular country or geographic region, the Fund may be more susceptible to economic, political, regulatory or other events or conditions affecting issuers and countries within that country or geographic region. As a result, the Fund may be subject to greater price volatility and risk of loss than a fund holding more geographically diverse investments.

**INVESTMENTS IN ETFs RISK** — When the Fund invests in an ETF, the Fund will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the index on which an index ETF is based or the other holdings of an ETF, and the value of the Fund's investment will fluctuate in response to the performance of the underlying index or holdings. ETFs typically incur fees that are separate from those of the Fund. Accordingly, the Fund's investments in ETFs will result in the layering of expenses such that shareholders will indirectly bear a proportionate share of the ETFs' operating expenses, in addition to paying Fund expenses.

**LARGE CAPITALIZATION RISK** — The risk that larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.

**MEDIUM CAPITALIZATION COMPANIES RISK** — The risk that medium capitalization companies in which the Fund may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, medium capitalization companies may have limited product lines, markets and financial resources and may depend upon a relatively small management group. Therefore, medium capitalization stocks may be more volatile than those of larger companies. Medium capitalization stocks may be traded over-the-counter or listed on an exchange.

**ETF RISKS** — The Fund is an exchange-traded fund ("ETF") and, as a result of this structure, it is exposed to the following risks:

**INDEX TRACKING RISK** — The Fund's return may not match or achieve a high degree of correlation with the return of the Index. Because it uses a representative sampling approach, the Fund may experience a greater degree of tracking error than if the Fund sought to hold all of the securities of the Index in proportion to their weighting in the Index.

**PASSIVE INVESTMENT RISK** — The Fund is not actively managed and therefore the Fund would not sell a security due to current or projected underperformance of the security, industry or sector, unless that security is removed from the Index or selling the security is otherwise required upon a rebalancing of the Index.

**TRADING RISK** — Shares of the Fund may trade on the Exchange above or below their NAV. The NAV of shares of the Fund will fluctuate with changes in the market value of the Fund's holdings. In stressed market conditions, the market for Fund shares may become less liquid in response to deteriorating liquidity in the markets for the Fund's underlying holdings, which may cause a variance in the market price of the Fund shares and their underlying value. In addition, although the Fund's shares are currently listed on the Exchange, there can be no assurance that an active trading market for shares will develop or be maintained. Trading in Fund shares may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in shares of the Fund inadvisable. The Fund's representative sampling approach to tracking the Index may cause the Fund's shares to trade with wider bid/ask spreads than if the Fund used a replication strategy or different representative sampling strategy.

**METHODOLOGY RISK** — The Fund seeks to track the performance of the Index. No assurance can be given that stocks of companies chosen for the Index will outperform stocks of other companies. Moreover, there is no guarantee or assurance that the methodology used to create the Index will result in the Fund achieving positive investment returns or outperforming other investment products.

**NEW INDEX PROVIDER RISK** — The Index was created by and is owned and maintained by the Index Provider, which has not previously been an index provider for a registered fund, which may create additional risks for investing in the Fund. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be reconstituted, rebalanced or disseminated accurately.

**LIMITED AUTHORIZED PARTICIPANTS, MARKET MAKERS AND LIQUIDITY PROVIDERS RISK** — Because the Fund is an ETF, only a limited number of institutional investors (known as "Authorized Participants") are authorized to purchase and redeem shares directly from the Fund. In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Fund shares may trade at a material discount to NAV and possibly face delisting: (i) Authorized Participants exit the business or otherwise become unable to process creation and/or redemption orders and no other Authorized Participants step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

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**CASH TRANSACTIONS RISK** — Unlike certain ETFs, the Fund may effect some or all creations and redemptions using cash, rather than in-kind securities. Because of this, the Fund may incur costs such as brokerage costs or be unable to realize certain tax benefits associated with in-kind transfers of portfolio securities that may be realized by other ETFs.

**ADR RISK** — ADRs are certificates evidencing ownership of shares of a foreign issuer that are issued by American depository banks and generally trade on an established U.S. market. ADRs are subject to many of the risks associated with investing directly in foreign securities, including, among other things, political, social and economic developments abroad, currency movements and different legal, regulatory and tax environments.

**ISSUER-SPECIFIC RISK** — Fund performance depends on the performance of individual securities to which the Fund has exposure. Issuer-specific events, including changes in the financial condition of an issuer, can have a negative impact on the value of the Fund.

**LIQUIDITY RISK** — Certain securities may be difficult or impossible to sell at the time and the price that the Fund would like. The Fund may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on Fund management or performance.

**SECTOR FOCUS RISK** — Because the Fund may, from time to time, be more heavily invested in particular sectors, the value of its shares may be especially sensitive to factors and economic risks that specifically affect those sectors. As a result, the Fund's share price may fluctuate more widely than the value of shares of a fund that invests in a broader range of sectors.

**FINANCIALS SECTOR RISK** — Performance of companies in the financials sector may be adversely impacted by many factors, including, among others, government regulations, economic conditions, credit rating downgrades, changes in interest rates, and decreased liquidity in credit markets. The impact of more stringent capital requirements, recent or future regulation of any individual financial company, or recent or future regulation of the financials sector as a whole cannot be predicted. In recent years, cyber attacks and technology malfunctions have become increasingly frequent in this sector and have caused significant losses to companies in this sector, which may negatively impact the Fund.

**NEW ADVISER RISK** — The Adviser is a newly formed investment adviser with no prior experience managing registered investment companies. As a result, investors do not have a track record of managing an ETF from which to judge

the Adviser, and the Adviser may not achieve the intended result in managing the Fund.

**9. Other:**

At December 31, 2023, all shares issued by the Fund were in Creation Unit aggregations to Authorized Participants through primary market transactions (e.g., transactions directly with the Fund). However, the individual shares that make up those Creation Units are traded on the Exchange (e.g., secondary market transactions). Some of those individual shares have been bought and sold by persons that are not Authorized Participants. Each Authorized Participant has entered into an agreement with the Fund's Distributor.

**10. Subsequent Events:**

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no additional disclosures and/or adjustments were required to the financial statements.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees of The Advisors' Inner Circle Fund III and Shareholders of Democracy International Fund

***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Democracy International Fund (one of the Funds constituting The Advisors' Inner Circle Fund III, referred to hereafter as the "Fund") as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statements of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the two years in the period ended December 31, 2023 and for the period March 31, 2021 (commencement of operations) through December 31, 2021 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2023 and the financial highlights for each of the two years in the period ended December 31, 2023 and for the period March 31, 2021 (commencement of operations) through December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether

the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2023 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

February 29, 2024

We have served as the auditor of one or more investment companies in Democracy Investment Management LLC since 2021.

**TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND III**

Set forth below are the names, years of birth, positions with the Trust, length of term of office, and the principal occupations for the last five years of each of the persons currently serving as Trustees and Officers of the Trust. Unless otherwise noted, the business address of each Trustee is SEI Investments Company, One Freedom Valley Drive, Oaks, Pennsylvania 19456. Trustees who are deemed not to be

Name and Year of Birth	Position with Trust and Length of Time Served <sup>1</sup>	Principal Occupations in the Past Five Years
<b>INTERESTED TRUSTEES<sup>3,4</sup></b>		
William M. Doran (Born: 1940)	Chairman of the Board of Trustees (since 2014)	Self-Employed Consultant since 2003. Partner at Morgan, Lewis & Bockius LLP (law firm) from 1976 to 2003. Counsel to the Trust, SEI Investments, SIMC, the Administrator and the Distributor. Secretary of SEI Investments since 1978.
<b>INDEPENDENT TRUSTEES<sup>3</sup></b>		
Jon C. Hunt (Born: 1951)	Trustee and Lead Independent Trustee (since 2014)	Retired since 2013. Consultant to Management, Convergent Capital Management, LLC ("CCM") from 2012 to 2013. Managing Director and Chief Operating Officer, CCM from 1998 to 2012.
Thomas P. Lemke (Born: 1954)	Trustee (since 2014)	Retired since 2013. Executive Vice President and General Counsel, Legg Mason, Inc. from 2005 to 2013.

- 1 Each Trustee shall hold office during the lifetime of this trust until the election and qualification of his or her successor, or until he or she sooner dies, resigns, or is removed in accordance with the Trust's Declaration of Trust.
- 2 Directorships of Companies required to report to the Securities and Exchange Commission under the Securities Exchange act of 1934 (i.e., "public companies") or other investment companies under the 1940 Act.
- 3 Trustees oversee 65 funds in The Advisors' Inner Circle Fund III.
- 4 Denotes Trustees who may be deemed to be "interested" persons of the Fund as that term is defined in the 1940 Act by virtue of their affiliation with the Distributor and/or its affiliates.



"interested persons" are referred to as "Independent Trustees." Mr. Doran is a Trustee who may be deemed to be "interested" person of the Trust as that term is defined in the 1940 Act by virtue of their affiliation with the Trust's Distributor. The Trust's Statement of Additional Information ("SAI") includes additional information about the Trustees and Officers. The SAI may be obtained without charge by calling 1-877-776-3629. The following chart lists Trustees and Officers as of December 31, 2023.

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**Other Directorships  
Held in the Past Five Years<sup>2</sup>**

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Current Directorships: Trustee of Gallery Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund, Delaware Wilshire Private Markets Tender Fund, SEI Daily Income Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Director of SEI Investments, SEI Investments (Europe), Limited, SEI Investments—Global Funds Services, Limited, SEI Investments Global, Limited, SEI Investments (Asia), Limited, SEI Global Nominee Ltd., SEI Investments – Unit Trust Management (UK) Limited and SEI Investments Co. Director of the Distributor.

Former Directorships: Trustee of The Advisors' Inner Circle Fund, The Advisors' Inner Circle Fund II, Bishop Street Funds, The KP Funds and Winton Diversified Opportunities Fund (closed-end investment company) to 2018. Trustee of Schroder Global Series Trust to 2021. Trustee of Schroder Series Trust to 2022.

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Current Directorships: Trustee of City National Rochdale Funds, Gallery Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund and Delaware Wilshire Private Markets Tender Fund. Director of Chiron Capital Allocation Fund Ltd., FS Alternatives Fund (Cayman), FS Managed Futures Fund (Cayman), FS Real Development Fund (Cayman) and Legal & General Commodity Strategy Fund Offshore Ltd. FS Alternatives Fund (Cayman), FS Managed Futures Fund (Cayman), FS Real Development Fund (Cayman) and Legal & General Commodity Strategy Fund Offshore Ltd.

Former Directorships: Trustee of Winton Diversified Opportunities Fund (closed-end investment company) to 2018. Trustee of Schroder Global Series Trust to 2021. Trustee of Schroder Series Trust to 2022.

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Current Directorships: Trustee of Gallery Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund, Delaware Wilshire Private Markets Tender Fund, J.P. Morgan Funds (171 Portfolios) and Symmetry Panoramic Trust (16 Portfolios). Director of Chiron Capital Allocation Fund Ltd. FS Alternatives Fund (Cayman), FS Managed Futures Fund (Cayman), FS Real Development Fund (Cayman) and Legal & General Commodity Strategy Fund Offshore Ltd.

Former Directorships: Trustee of Winton Diversified Opportunities Fund (closed-end investment company) to 2018. Trustee of Schroder Global Series Trust to 2021. Trustee of Schroder Series Trust to 2022.

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TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND III

Name and Year of Birth	Position with Trust and Length of Time Served <sup>1</sup>	Principal Occupations in the Past Five Years
<b>INDEPENDENT TRUSTEES (continued)<sup>3</sup></b>		
Nichelle Maynard-Elliott (Born: 1968)	Trustee (since 2021)	Independent Director since 2018. Executive Director, M&A at Praxair Inc. from 2011-2019.
Jay C. Nadel (Born: 1958)	Trustee (since 2016)	Self-Employed Consultant since 2004. Executive Vice President, Bank of New York Broker Dealer from 2002 to 2004. Partner/Managing Director, Weiss Peck & Greer/Robeco from 1986 to 2001.
Randall S. Yanker (Born: 1960)	Trustee (since 2014)	Co-Founder and Senior Partner, Alternative Asset Managers, L.P. since 2004.
<b>OFFICERS</b>		
Michael Beattie (Born: 1965)	President (since 2014)	Director of Client Service, SEI Investments, since 2004.
James Bernstein (Born: 1962)	Vice President (since 2017) Secretary (since 2020)	Attorney, SEI Investments, since 2017.  Prior Positions: Self-employed consultant, 2017. Associate General Counsel & Vice President, Nationwide Funds Group and Nationwide Mutual Insurance Company, from 2002 to 2016. Assistant General Counsel & Vice President, Market Street Funds and Provident Mutual Insurance Company, from 1999 to 2002.
John Bourgeois (Born: 1973)	Assistant Treasurer (since 2017)	Fund Accounting Manager, SEI Investments, since 2000.

- 1 Each Trustee shall hold office during the lifetime of this trust until the election and qualification of his or her successor, or until he or she sooner dies, resigns, or is removed in accordance with the Trust's Declaration of Trust.
- 2 Directorships of Companies required to report to the Securities and Exchange Commission under the Securities Exchange act of 1934 (i.e., "public companies") or other investment companies under the 1940 Act.
- 3 Trustees oversee 65 funds in The Advisors' Inner Circle Fund III.

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**Other Directorships  
Held in the Past Five Years<sup>2</sup>**

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Current Directorships: Trustee of Gallery Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund, Delaware Wilshire Private Markets Tender Fund, Director of Chiron Capital Allocation Fund Ltd., FS Alternatives Fund (Cayman), FS Managed Futures Fund (Cayman), FS Real Development Fund (Cayman), Legal & General Commodity Strategy Fund Offshore Ltd., Element Solutions Inc., Xerox Holdings Corporation and Lucid Group, Inc.

Former Directorships: Trustee of Schroder Global Series Trust to 2021. Trustee of Schroder Series Trust to 2022.

Current Directorships: Chairman of the Board of Trustees of City National Rochdale Funds, Trustee of Gallery Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund and Delaware Wilshire Private Markets Tender Fund, Director of Chiron Capital Allocation Fund Ltd.

Former Directorships: Trustee of Winton Series Trust to 2017, Director of Lapolla Industries, Inc. to 2017, Trustee of Winton Diversified Opportunities Fund (closed-end investment company) to 2018, Trustee of Schroder Global Series Trust to 2021, Trustee of Schroder Series Trust to 2022.

Current Directorships: Trustee of Gallery Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund and Delaware Wilshire Private Markets Tender Fund, Independent Non-Executive Director of HFA Holdings Limited, Director of Chiron Capital Allocation Fund Ltd., FS Alternatives Fund (Cayman), FS Managed Futures Fund (Cayman), FS Real Development Fund (Cayman) and Legal & General Commodity Strategy Fund Offshore Ltd.

Former Directorships: Trustee of Winton Diversified Opportunities Fund (closed-end investment company) to 2018, Director of Navigator Global Investments Limited to 2020, Trustee of Schroder Global Series Trust to 2021, Trustee of Schroder Series Trust to 2022.

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None.

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None.

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None.

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TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND III

Name and Year of Birth	Position(s) with Trust and Length of Time Served	Principal Occupation in the Past Five Years
<b>OFFICERS (continued)</b>		
Eric C. Griffith (Born: 1969)	Vice President and Assistant Secretary (since 2020)	Counsel at SEI Investments since 2019. Vice President and Assistant General Counsel, JPMorgan Chase & Co., from 2012 to 2018.
Donald Duncan (Born: 1964)	Anti-Money Laundering Compliance Officer and Privacy Coordinator (since 2023)	Chief Compliance Officer and Global Head of Anti- Money Laundering Strategy of SEI Investments Company since January 2023. Head of Global Anti- Money Laundering Program for Hamilton Lane Advisors, LLC from August 2021 until December 2022. Senior VP and Supervising Principal of Hamilton Lane Securities, LLC from June 2016 to August 2021. Senior Director at AXA-Equitable from June 2011 until May 2016. Senior Director at PRUCO Securities, a subsidiary of Prudential Financial, Inc. from October 2005 until December 2009.
Matthew M. Maher (Born: 1975)	Vice President and Assistant Secretary (since 2018)	Counsel at SEI Investments since 2018. Attorney, Blank Rome LLP, from 2015 to 2018. Assistant Counsel & Vice President, Bank of New York Mellon, from 2013 to 2014. Attorney, Dilworth Paxson LLP, from 2006 to 2013.
Andrew Metzger (Born: 1980)	Treasurer, Controller and Chief Financial Officer (since 2021)	Director of Fund Accounting, SEI Investments, since 2020. Senior Director, Embark, from 2019 to 2020. Senior Manager, PricewaterhouseCoopers LLP, from 2002 to 2019.
Robert Morrow (Born: 1968)	Vice President (since 2017)	Account Manager, SEI Investments, since 2007.

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**Other Directorships  
Held in the Past Five Years**

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None.

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None.

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None.

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None.

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None.

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TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND III

Name and Year of Birth	Position(s) with Trust and Length of Time Served	Principal Occupation in the Past Five Years
<b>OFFICERS (continued)</b>		
Stephen F. Panner (Born: 1970)	Chief Compliance Officer (since 2022)	Chief Compliance Officer of SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional International Trust, SEI Institutional Managed Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Catholic Values Trust, SEI Exchange Traded Funds, SEI Structured Credit Fund LP, The Advisors' Inner Circle Fund, The Advisors' Inner Circle Fund II, The Advisors' Inner Circle Fund III, Bishop Street Funds, Frost Family of Funds, Gallery Trust, Delaware Wilshire Private Markets Fund, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Tender Fund and Catholic Responsible Investments Funds since September 2022. Fund Compliance Officer of SEI Investments Company from February 2011 to September 2022. Fund Accounting Director and CFO and Controller for the SEI Funds from July 2005 to February 2011.
Alexander F. Smith (Born: 1977)	Vice President and Assistant Secretary (since 2020)	Counsel at SEI Investments since 2020. Associate Counsel & Manager, Vanguard, 2012 to 2020. Attorney, Stradley Ronon Stevens & Young, LLP, 2008 to 2012.

**Other Directorships  
Held in the Past Five Years**

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None.

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None.

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**DISCLOSURE OF FUND EXPENSES**

All exchange traded funds ("ETFs") have operating expenses. As a shareholder of an ETF fund, your investment is affected by these ongoing costs, which include (among others) costs for ETF management, administrative services, and shareholder reports like this one. It is important for you to understand the impact of these costs on your investment returns.

Operating expenses such as these are deducted from the ETF's gross income and directly reduce your final investment return. These expenses are expressed as a percentage of the ETF's average net assets; this percentage is known as the ETF's expense ratio.

The following examples use the expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period from July 1, 2023 to December 31, 2023.

The table on the next page illustrates your Fund's costs in two ways:

- **Actual Fund Return.** This section helps you to estimate the actual expenses after fee waivers that your Fund incurred over the period. The "Expenses Paid During Period" column shows the actual dollar expense cost incurred by a \$1,000 investment in the Fund, and the "Ending Account Value" number is derived from deducting that expense cost from the Fund's gross investment return.

You can use this information, together with the actual amount you invested in the Fund, to estimate the expenses you paid over that period. Simply divide your ending starting account value by \$1,000 to arrive at a ratio (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply that ratio by the number shown for your Fund under "Expenses Paid During Period."

- **Hypothetical 5% Return.** This section helps you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had an annual 5% return before expenses during the year, but that the expense ratio (Column 3) for the period is unchanged. This example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to make this 5% calculation. You can assess your Fund's comparative cost by comparing the hypothetical result for your Fund in the "Expenses Paid During Period" column with those that appear in the same charts in the shareholder reports for other funds.



**Note:** Because the return is set at 5% for comparison purposes — NOT your Fund's actual return — the account values shown may not apply to your specific investment.

	<b>Beginning Account Value 7/1/23</b>	<b>Ending Account Value 12/31/23</b>	<b>Annualized Expense Ratios</b>	<b>Expenses Paid During Period*</b>
<b>Actual Fund Return</b>	\$1,000.00	\$1,057.40	0.37%	\$ 1.92
<b>Hypothetical 5% Return</b>	1,000.00	1,023.34	0.37	1.89

\* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

**APPROVAL OF INVESTMENT SUB-ADVISORY AGREEMENT**

Pursuant to Section 15 of the Investment Company Act of 1940 (the "1940 Act"), the Fund's advisory and sub-advisory agreements must be approved: (i) by a vote of a majority of the shareholders of the Fund; and (ii) by the vote of a majority of the members of the Board of Trustees (the "Board" or the "Trustees") of The Advisors' Inner Circle Fund III (the "Trust") who are not parties to the agreements or "interested persons" of any party thereto, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval.

On July 14, 2023, all the operations of the Fund's former sub-adviser, Vident Investment Advisory, LLC, ("VIA") were assumed by Vident Advisory, LLC (d/b/a Vident Asset Management) ("VA") pursuant to a purchase agreement signed on March 24, 2023 (the "Transaction"). VIA no longer exists as a legal entity, but its liabilities, assets, and personnel are now a part of VA. The Transaction was deemed to have resulted in a change of control of VIA under the 1940 Act, resulting in the assignment, and automatic termination, of the prior investment sub-advisory agreement between Democracy Investment Management, LLC (the "Adviser") and VIA (the "Prior Sub-Advisory Agreement"). Section 15(a) (4) of the 1940 Act requires the automatic termination of an advisory or sub-advisory contract when it is assigned. In anticipation of the Transaction, a Board meeting was held on June 21-22, 2023 (the "Board Meeting") to decide whether to approve an interim sub-advisory agreement between the Adviser and VA (the "Interim Sub-Advisory Agreement") and a new sub-advisory agreement between the Adviser and VA (the "New Sub-Advisory Agreement").

In preparation for the Board Meeting, the Trustees requested that the Adviser, VIA and VA furnish information necessary to evaluate the terms of the New Sub-Advisory Agreement. The Trustees used this information, as well as other information that the Adviser, VIA and VA and other service providers of the Fund presented or submitted to the Board at the Board Meeting to help them decide whether to approve the New Sub-Advisory Agreement for an initial two-year term.

Specifically, the Board requested and received written materials from the Adviser, VIA and VA regarding: (i) the terms, conditions, and expected timing of the Transaction, and the reasons that VIA and VA were undergoing the Transaction; (ii) the nature, extent and quality of the services to be provided by VA; (iii) VA's operations and financial condition; (iv) VA's brokerage practices (including any soft dollar arrangements) and investment strategies; (v) the proposed sub-advisory fee to be paid to VA; (vi) VA's compliance program; and (vii) VIA's investment management personnel.

The Independent Trustees received advice from independent counsel and met in executive session outside the presence of Fund management, the Adviser, VIA and VA.

At the Board Meeting, the Trustees, including all of the Independent Trustees, based on their evaluation of the information provided by the Adviser, VIA, VA and other service providers of the Fund, approved the New Sub-Advisory Agreement. In considering the approval of the New Sub-Advisory Agreement, the Board considered various factors that they determined were relevant, including: (i) the nature, extent and quality of the services to be provided by VA; (ii) the investment performance of the Fund and VIA; and (iii) the fee to be paid to VA, as discussed in further detail below. In addition, the Board considered representations from VA that the Transaction was not expected to result in any material changes to the nature, extent and quality of the services to be provided to the Fund, and that the portfolio managers for the Fund were not expected to change in connection with the Transaction.

#### **Nature, Extent and Quality of Services to be Provided by VA**

In considering the nature, extent and quality of the services to be provided by VA, the Board reviewed the portfolio management services to be provided by VA to the Fund, including the quality of the continuing portfolio management personnel, the resources of VA and VA's compliance history and compliance program. The Trustees reviewed the terms of the proposed New Sub-Advisory Agreement and noted that the New Sub-Advisory Agreement has the same sub-advisory fee as, and does not materially differ from, the Prior Sub-Advisory Agreement. The Trustees also reviewed VA's proposed investment and risk management approaches for the Fund. The Trustees considered that the Adviser would supervise and monitor the performance of VA. The most recent investment adviser registration form ("Form ADV") for VIA was available to the Board, as was the response of VIA and VA to a detailed series of questions which included, among other things, information about the investment advisory services to be provided by VA to the Fund.

The Trustees also considered other services to be provided to the Fund by VA such as selecting broker-dealers for executing portfolio transactions, monitoring adherence to the Fund's investment restrictions, and monitoring compliance with various Fund policies and procedures and with applicable securities laws and regulations. Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the nature, extent and quality of the services to be provided to the Fund by VA would be satisfactory.

**Investment Performance of the Fund and VIA**

The Board was provided with regular reports regarding the Fund's performance, and VIA's contribution thereto, over various time periods. Representatives from VIA provided information regarding, and led discussions of factors impacting, VIA's performance for the Fund, outlining current market conditions and explaining their expectations and strategies for the future. The Trustees determined that VIA's performance was satisfactory, or, where VIA's performance was materially below its benchmarks and/or peer group, the Trustees were satisfied by the reasons for the underperformance and/or the steps taken by VIA in an effort to improve performance. Based on this information and the representation that the portfolio managers of the Fund will continue to serve as portfolio managers of the Fund as employees of VA following the Transaction, the Board concluded, within the context of its full deliberations, that the investment results that VIA had been able to achieve for the Fund were sufficient to support approval of the New Sub-Advisory Agreement.

**Costs of Advisory Services**

In considering the sub-advisory fee payable by the Adviser to VA, the Trustees reviewed, among other things, a report of the proposed sub-advisory fee to be paid to VA. The Trustees considered that the fee payable to VA would be the same as the fee payable to VIA. The Trustees also considered that the Adviser, not the Fund, would pay VA pursuant to the New Sub-Advisory Agreement, and had likewise paid VIA pursuant to the Prior Sub-Advisory Agreement. The Board concluded, within the context of its full deliberations, that the sub-advisory fee was reasonable in light of the nature and quality of the services expected to be rendered by VA.

**Profitability and Economies of Scale**

Because VA is new to the Fund and has not managed Fund assets, it was not possible to determine the profitability that VA might achieve with respect to the Fund or the extent to which economies of scale would be realized by VA as the assets of the Fund grow. Accordingly, the Trustees did not make any conclusions regarding VA's profitability, or the extent to which economies of scale would be realized by VA as the assets of the Fund grow but will do so during future considerations of the New Sub-Advisory Agreement.

**Approval of the New Sub-Advisory Agreement**

Based on the Board's deliberations and its evaluation of the information described above and other factors and information it believed relevant in the exercise of its reasonable business judgment, the Board, including all of the Independent Trustees, with the assistance of Fund counsel and Independent Trustees' counsel, unanimously concluded that the terms of the New Sub-

Advisory Agreement, including the fee to be paid thereunder, were fair and reasonable and agreed to approve the New Sub-Advisory Agreement for an initial term of two years and recommend the approval of the New Sub-Advisory Agreement to the Fund's shareholders. In its deliberations, the Board did not identify any absence of information as material to its decision, or any particular factor (or conclusion with respect thereto) or single piece of information that was all-important, controlling or determinative of its decision, but considered all of the factors together, and each Trustee may have attributed different weights to the various factors (and conclusions with respect thereto) and information.

## NOTICE TO SHAREHOLDERS

For shareholders that do not have a December 31, 2023 tax year end, this notice is for informational purposes only. For shareholders with a December 31, 2023 tax year end, please consult your tax advisor as to the pertinence of this notice. For the fiscal year ended December 31, 2023, the Fund is designating the following items with regard to distributions paid during the year:

Return of Capital	Long-Term Capital Gain Distributions	Ordinary Income Distributions	Total Distributions	Qualifying for Corporate Dividends Received Deduction (1)	Qualifying Dividend Income (2)	U.S. Government Interest (3)	Interest Related Dividends (4)	Short-Term Capital Gain Dividends (5)	Qualifying Business Income (6)	Foreign Tax Credit (7)
0.00%	0.00%	100.00%	100.00%	0.00%	94.35%	0.00%	0.40%	0.00%	0.00%	5.09%

- 1) Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short term capital gain and net investment income distributions).
- 2) The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short term capital gain and net investment income distributions). It is the intention of each of the aforementioned funds to designate the maximum amount permitted by law.
- 3) "U.S. Government Interest" represents the amount of interest that was derived from direct U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of total ordinary income distributions (the total of short term capital gain and net investment income distributions). Generally, interest from direct U.S. Government obligations is exempt from state income tax. However, for shareholders who are residents of California, Connecticut and New York, the statutory threshold requirements were not satisfied to permit exemption of these amounts from state income.
- 4) The percentage in this column represents the amount of "Interest Related Dividends" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of net investment income distributions that is exempt from U.S withholding tax when paid to foreign investors.
- 5) The percentage in this column represents the amount of "Short-Term Capital Gain Dividends" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of short-term capital gain distributions that is exempt from U.S withholding tax when paid to foreign investors.
- 6) The percentage of this column represents that amount of ordinary dividend income that qualified for 20% Business Income Deduction.
- 7) The percentage in this column represents the amount of "Qualifying Foreign Taxes" as a percentage of ordinary distributions during the fiscal year ended December 31, 2023. The Fund intends to pass through a Foreign Tax Credit to shareholders for fiscal year ended 2023. The total amount of foreign source income for the Fund is \$142,682. The total amount of foreign tax paid for the Fund is \$14,965. Your allocation share of the foreign tax credit will be reported on form 1099-DIV.

*The information reported herein may differ from the information and distributions taxable to the shareholder for the calendar year ending December 31, 2023. Complete information will be computed and reported with your 2023 Form 1099-DIV.*

**SUPPLEMENTAL INFORMATION**

NAV is the price per share at which a fund issues and redeems shares. It is calculated in accordance with the standard formula for valuing fund shares. The "Market Price" of a fund generally is determined using the midpoint between the highest bid and the lowest offer on the stock exchange on which the shares of the fund are listed for trading, as of the time that the fund's NAV is calculated. A fund's Market Price may be at, above or below its NAV. The NAV of a fund will fluctuate with changes in the market value of the fund's holdings. The NAV of a fund may also be impacted by the accrual of deferred taxes. The Market Price of a fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand.

Premiums or discounts are the differences (expressed as a percentage) between the NAV and Market Price of a fund on a given day, generally at the time NAV is calculated. A premium is the amount that a fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that a fund is trading below the reported NAV, expressed as a percentage of the NAV.

Further information regarding the Fund's premiums and discounts is available on the Fund's website at <https://www.democracyinvestments.com/fund>.



## NOTES

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**Democracy International Fund**

c/o SEI Investments Distribution Co.  
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1-877-776-3629

**Investment Adviser:**

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**Investment Sub-Adviser:**

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**Administrator:**

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One Freedom Valley Drive  
Oaks, PA 19456

**Distributor:**

SEI Investments Distribution Co.  
One Freedom Valley Drive  
Oaks, PA 19456

**Legal Counsel:**

Morgan, Lewis & Bockius LLP  
2222 Market Street  
Philadelphia, PA 19103

This information must be preceded or accompanied by a current prospectus for the Fund described.