

The Advisors' Inner Circle Fund III



Democracy International Fund

SEMI-ANNUAL FINANCIALS AND OTHER INFORMATION

JUNE 30, 2024

Investment Adviser:

**Democracy Investment
Management LLC**

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The Fund files its complete schedule of investments for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT within sixty days after the end of the period. The Fund's Form N-PORT is available on the Fund's website at <https://www.democracyinvestments.com/fund>.

Democracy Investment Management LLC's proxy voting policies and procedures are attached to the Fund's Statement of Additional Information (the "SAI"). The SAI, as well as information relating to how the Fund voted proxies relating to the Fund's securities during the most recent 12-month period ended June 30, is available without charge, upon request, by calling (877) PRO-DEMOCRACY and on the Fund's website at <https://www.democracyinvestments.com/fund>.

SCHEDULE OF INVESTMENTS

COMMON STOCK — 52.4%

| | Shares | Fair Value |
|--|--------|---------------|
| Australia — 0.3% | | |
| BHP Group | 684 | \$ 19,567 |
| Woodside Energy Group | 121 | 2,275 |
| | | <u>21,842</u> |
| Belgium — 0.3% | | |
| Ageas | 163 | 7,456 |
| Anheuser-Busch InBev | 245 | 14,211 |
| | | <u>21,667</u> |
| Brazil — 0.3% | | |
| Vale ADR, Cl B | 875 | 9,774 |
| Wheaton Precious Metals | 219 | 11,480 |
| | | <u>21,254</u> |
| Canada — 7.9% | | |
| Agnico Eagle Mines | 186 | 12,163 |
| Alimentation Couche-Tard | 410 | 23,003 |
| Bank of Montreal | 302 | 25,343 |
| Bank of Nova Scotia | 505 | 23,096 |
| Barrick Gold | 722 | 12,041 |
| BCE | 434 | 14,054 |
| Brookfield, Cl A | 679 | 28,235 |
| Brookfield Asset Management, Cl A | 178 | 6,775 |
| Canadian Imperial Bank of Commerce | 449 | 21,345 |
| Canadian National Railway | 276 | 32,607 |
| Canadian Natural Resources | 1,126 | 40,099 |
| Canadian Pacific Kansas City | 375 | 29,526 |
| Cenovus Energy | 576 | 11,319 |
| CGI, Cl A* | 150 | 14,969 |
| Enbridge | 806 | 28,668 |
| Fortis | 292 | 11,346 |
| Manulife Financial | 1,060 | 28,221 |
| Nutrien | 254 | 12,929 |
| Rogers Communications, Cl B | 224 | 8,283 |
| Royal Bank of Canada | 556 | 59,182 |
| Shopify, Cl A* | 421 | 27,816 |
| Sun Life Financial | 386 | 18,923 |
| Suncor Energy | 615 | 23,439 |

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

COMMON STOCK (continued)

| | Shares | Fair Value |
|-----------------------------|--------|----------------|
| Canada (continued) | | |
| TC Energy | 435 | \$ 16,486 |
| TELUS | 780 | 11,805 |
| Toronto-Dominion Bank | 713 | 39,184 |
| Waste Connections | 129 | 22,629 |
| | | <u>603,486</u> |
| China — 0.7% | | |
| NXP Semiconductors | 119 | 32,021 |
| Prosus | 667 | 23,775 |
| | | <u>55,796</u> |
| Denmark — 2.9% | | |
| Coloplast, Cl B | 92 | 11,061 |
| DSV | 105 | 16,101 |
| Genmab* | 31 | 7,774 |
| Novo Nordisk, Cl B | 1,164 | 168,221 |
| Orsted* | 106 | 5,646 |
| Vestas Wind Systems* | 509 | 11,796 |
| | | <u>220,599</u> |
| Finland — 0.7% | | |
| Kone, Cl B | 242 | 11,954 |
| Neste | 217 | 3,866 |
| Nokia | 2,482 | 9,466 |
| Nordea Bank | 1,572 | 18,727 |
| UPM-Kymmene | 334 | 11,677 |
| | | <u>55,690</u> |
| France — 7.0% | | |
| Air Liquide | 237 | 40,966 |
| Airbus | 248 | 34,091 |
| AXA | 860 | 28,177 |
| BNP Paribas | 382 | 24,372 |
| Capgemini | 93 | 18,509 |
| Cie de Saint-Gobain | 265 | 20,625 |
| Danone | 231 | 14,132 |
| Dassault Systemes | 438 | 16,571 |
| Engie | 665 | 9,504 |
| EssilorLuxottica | 123 | 26,523 |
| Euroapi* | 129 | 353 |

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

COMMON STOCK (continued)

| | Shares | Fair Value |
|--|--------|----------------|
| France (continued) | | |
| Hermes International SCA | 11 | \$ 25,229 |
| Legrand | 190 | 18,865 |
| L'Oreal | 75 | 32,960 |
| LVMH Moet Hennessy Louis Vuitton | 89 | 68,068 |
| Orange | 410 | 4,110 |
| Safran | 150 | 31,735 |
| Sanofi | 329 | 31,713 |
| TotalEnergies | 873 | 58,319 |
| Vinci | 242 | 25,516 |
| Worldline* | 159 | 1,724 |
| | | <u>532,062</u> |
| Germany — 5.3% | | |
| adidas | 68 | 16,252 |
| Allianz | 124 | 34,487 |
| BASF | 403 | 19,516 |
| Bayer | 347 | 9,811 |
| Bayerische Motoren Werke | 148 | 14,019 |
| BioNTech ADR* | 34 | 2,732 |
| Daimler Truck Holding | 231 | 9,202 |
| Deutsche Bank | 738 | 11,791 |
| Deutsche Boerse | 88 | 18,023 |
| Deutsche Post | 397 | 16,079 |
| Deutsche Telekom | 1,243 | 31,280 |
| Deutsche Wohnen | 104 | 2,002 |
| E.ON | 916 | 12,031 |
| Fresenius & Co* | 203 | 6,066 |
| Infineon Technologies | 596 | 21,913 |
| Mercedes-Benz Group | 312 | 21,592 |
| RWE | 285 | 9,759 |
| SAP | 385 | 78,201 |
| Siemens | 304 | 56,600 |
| Vonovia | 360 | 10,244 |
| Zalando* | 182 | 4,270 |
| | | <u>405,870</u> |
| Ireland — 0.5% | | |
| CRH PLC | 387 | 28,843 |

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

COMMON STOCK (continued)

| | Shares | Fair Value |
|----------------------------|--------|----------------|
| Ireland (continued) | | |
| ICON PLC* | 40 | \$ 12,539 |
| | | <u>41,382</u> |
| Israel — 0.0% | | |
| Tower Semiconductor* | 60 | <u>2,313</u> |
| Italy — 2.0% | | |
| Enel | 2,843 | 19,787 |
| Eni | 1,176 | 18,092 |
| Ferrari | 59 | 24,073 |
| Intesa Sanpaolo | 9,496 | 35,326 |
| Snam | 1,697 | 7,513 |
| Stellantis | 1,065 | 21,082 |
| UniCredit | 704 | <u>26,110</u> |
| | | <u>151,983</u> |
| Netherlands — 3.3% | | |
| Akzo Nobel | 121 | 7,364 |
| ASML Holding | 156 | 161,208 |
| Heineken | 85 | 8,226 |
| ING Groep | 1,641 | 28,073 |
| Koninklijke Ahold Delhaize | 455 | 13,454 |
| Koninklijke Philips* | 560 | 14,158 |
| Wolters Kluwer | 129 | <u>21,402</u> |
| | | <u>253,885</u> |
| Singapore — 0.2% | | |
| STMicroelectronics | 394 | <u>15,571</u> |
| South Korea — 0.0% | | |
| Delivery Hero, Cl A* | 100 | <u>2,374</u> |
| Spain — 1.6% | | |
| Amadeus IT Group | 265 | 17,649 |
| Banco Santander | 7,145 | 33,161 |
| Iberdrola | 2,491 | 32,344 |
| Industria de Diseno Textil | 605 | 30,060 |
| Telefonica | 2,411 | <u>10,233</u> |
| | | <u>123,447</u> |

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

COMMON STOCK (continued)

| | Shares | Fair Value |
|---|--------|----------------|
| Sweden — 2.7% | | |
| Alleima | 477 | \$ 3,099 |
| Atlas Copco, Cl A | 2,294 | 40,870 |
| Castellum* | 477 | 5,828 |
| Essity, Cl B | 311 | 7,970 |
| Evolution | 93 | 9,695 |
| H & M Hennes & Mauritz, Cl B | 609 | 9,641 |
| Hexagon, Cl B | 1,554 | 17,557 |
| Investor, Cl B | 1,504 | 41,214 |
| Kinnevik | 430 | 3,530 |
| Nibe Industrier, Cl B | 1,097 | 4,655 |
| Sandvik | 758 | 15,203 |
| Swedbank | 562 | 11,574 |
| Telefonaktiebolaget LM Ericsson, Cl B | 1,550 | 9,631 |
| Volvo, Cl B | 927 | 23,730 |
| | | <u>204,197</u> |
| Switzerland — 6.5% | | |
| ABB | 797 | 44,276 |
| Accelleron Industries | 85 | 3,329 |
| Alcon | 240 | 21,425 |
| Cie Financiere Richemont, Cl A | 185 | 28,874 |
| Holcim | 241 | 21,354 |
| Lonza Group | 36 | 19,647 |
| Nestle | 932 | 95,129 |
| Novartis | 725 | 77,591 |
| Roche Holding | 242 | 67,192 |
| Sandoz Group | 145 | 5,251 |
| Sika | 85 | 24,329 |
| Swiss Re | 126 | 15,635 |
| UBS Group | 1,446 | 42,561 |
| Zurich Insurance Group | 55 | 29,324 |
| | | <u>495,917</u> |
| United Kingdom — 10.2% | | |
| Anglo American PLC | 447 | 14,137 |
| Ashtead Group PLC | 246 | 16,425 |
| AstraZeneca PLC | 482 | 75,284 |
| BAE Systems PLC | 1,442 | 24,061 |

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

COMMON STOCK (continued)

| | Shares | Fair Value |
|--|--------|------------------|
| United Kingdom (continued) | | |
| Barclays PLC | 6,694 | \$ 17,677 |
| Barratt Developments PLC | 1,207 | 7,205 |
| BP PLC | 6,227 | 37,406 |
| British American Tobacco PLC | 752 | 23,099 |
| Compass Group PLC | 804 | 21,953 |
| Croda International PLC | 139 | 6,937 |
| Diageo PLC | 849 | 26,718 |
| Experian PLC | 504 | 23,484 |
| Flutter Entertainment PLC* | 85 | 15,542 |
| Glencore PLC | 4,695 | 26,773 |
| GSK PLC | 1,388 | 26,836 |
| Haleon PLC | 1,919 | 7,826 |
| HSBC Holdings PLC | 6,726 | 58,147 |
| Informa PLC | 1,211 | 13,101 |
| Just Eat Takeaway.com* | 128 | 1,541 |
| Legal & General Group PLC | 4,161 | 11,940 |
| Lloyds Banking Group PLC | 30,803 | 21,315 |
| London Stock Exchange Group PLC | 182 | 21,626 |
| Mondi PLC | 444 | 8,516 |
| National Grid PLC | 1,585 | 17,684 |
| Prudential PLC | 1,187 | 10,779 |
| Reckitt Benckiser Group PLC | 229 | 12,395 |
| RELX PLC | 900 | 41,400 |
| Shell PLC | 2,541 | 91,030 |
| Smith & Nephew PLC | 663 | 8,218 |
| SSE PLC | 618 | 13,980 |
| Standard Chartered PLC | 1,328 | 12,020 |
| Taylor Wimpey PLC | 4,223 | 7,588 |
| Unilever PLC | 854 | 46,906 |
| Vodafone Group PLC | 11,813 | 10,417 |
| | | <u>779,966</u> |
| Total Common Stock (Cost \$3,548,187) | | <u>4,009,301</u> |

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

EXCHANGE TRADED FUNDS — 46.4%

| | Shares | Fair Value |
|---|--------|------------------|
| iShares MSCI Australia ETF | 6,864 | \$ 167,687 |
| iShares MSCI Austria ETF | 1,379 | 30,133 |
| iShares MSCI Brazil ETF | 1,905 | 52,064 |
| iShares MSCI Chile ETF | 553 | 14,306 |
| iShares MSCI China ETF | 366 | 15,434 |
| iShares MSCI India ETF* | 3,926 | 218,992 |
| iShares MSCI Indonesia ETF | 1,035 | 19,944 |
| iShares MSCI Israel ETF | 929 | 56,400 |
| iShares MSCI Japan ETF | 2,470 | 168,553 |
| iShares MSCI Malaysia ETF | 625 | 14,037 |
| iShares MSCI Mexico ETF | 455 | 25,758 |
| iShares MSCI Philippines ETF | 629 | 15,197 |
| iShares MSCI Poland ETF | 1,375 | 33,729 |
| iShares MSCI South Africa ETF | 906 | 39,248 |
| iShares MSCI Taiwan ETF | 5,031 | 272,630 |
| iShares MSCI Thailand ETF | 338 | 18,340 |
| Vanguard FTSE Emerging Markets ETF | 11,584 | 506,916 |
| Vanguard FTSE Pacific ETF | 25,347 | 1,880,240 |
| Total Exchange Traded Funds (Cost \$3,269,208) | | <u>3,549,608</u> |

PREFERRED STOCK — 0.3%

Germany — 0.3%

| | | |
|---|-----|---------------------|
| Henkel & Co# | 127 | 11,327 |
| Volkswagen# | 91 | 10,280 |
| Total Preferred Stock (Cost \$21,611) | | <u>21,607</u> |
| Total Investments - 99.1% (Cost \$6,839,006) | | <u>\$ 7,580,516</u> |

Percentages are based on Net Assets of \$7,647,692.

* Non-income producing security.

There is currently no rate available.

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

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 June 30, 2024, 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 \$6,839,006)..... | \$ 7,580,516 |
| Foreign Currency, at Value (Cost \$2,756) | 2,746 |
| Cash..... | 100,725 |
| Reclaim Receivable..... | 29,969 |
| Dividend and Interest Receivable..... | 4,765 |
| Receivable for Investment Securities Sold..... | 934 |
| Other Prepaid Expenses..... | 5,098 |
| Total Assets | <u>7,724,753</u> |

Liabilities:

| | |
|------------------------------------|--------|
| Income Distributions Payable..... | 66,240 |
| Payable to Investment Adviser..... | 10,821 |

Total Liabilities

77,061

Net Assets.....

\$ 7,647,692

Net Assets Consist of:

| | |
|---|---------------------|
| Paid-in Capital | \$ 7,254,883 |
| Total Distributable Earnings | <u>392,809</u> |
| Net Assets | <u>\$ 7,647,692</u> |
| Outstanding Shares of beneficial interest (unlimited authorization — no par value)..... | 300,000 |
| Net Asset Value, Offering and Redemption Price Per Share..... | <u>\$ 25.49</u> |

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

STATEMENT OF OPERATIONS

Investment Income:

| | | |
|------------------------------------|----|----------|
| Dividends | \$ | 123,178 |
| Interest..... | | 710 |
| Less: Foreign Taxes Withheld | | (10,830) |

Total Investment Income 113,058

Expenses:

| | | |
|-------------------------------|--|--------|
| Investment Advisory Fees..... | | 18,805 |
|-------------------------------|--|--------|

Total Expenses 18,805

Less:

| | | |
|---|--|-------|
| Waiver of Investment Advisory Fees..... | | (228) |
|---|--|-------|

Net Expenses 18,577

Net Investment Income 94,481

Net Realized Gain (Loss) on:

| | | |
|------------------------------------|--|-------|
| Investments..... | | 3,405 |
| Foreign Currency Transactions..... | | 72 |

Net Realized Gain (Loss)..... 3,477

Net Change in Unrealized Appreciation (Depreciation) on:

| | | |
|------------------------------------|--|---------|
| Investments..... | | 247,572 |
| Foreign Currency Translation | | (1,083) |

Net Change in Unrealized Appreciation (Depreciation) 246,489

Net Realized and Unrealized Gain (Loss) 249,966

Net Increase in Net Assets Resulting from Operations \$ 344,447

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

STATEMENTS OF CHANGES IN NET ASSETS

| | Six Months Ended June 30, 2024 (Unaudited) | Year Ended December 31, 2023 |
|--|---|---------------------------------------|
| Operations: | | |
| Net Investment Income..... | \$ 94,481 | \$ 256,428 |
| Net Realized Gain (Loss) | 3,477 | (307,368) |
| Net Change in Unrealized Appreciation (Depreciation) | <u>246,489</u> | <u>1,291,256</u> |
| Net Increase in Net Assets Resulting From Operations..... | <u>344,447</u> | <u>1,240,316</u> |
| Distributions: | <u>(93,480)</u> | <u>(293,915)</u> |
| Capital Share Transactions: | | |
| Issued..... | - | 6,395,810 |
| Redeemed..... | <u>-</u> | <u>(4,832,285)</u> |
| Net Increase in Net Assets From Capital Share Transactions..... | <u>-</u> | <u>1,563,525</u> |
| Total Increase in Net Assets..... | <u>250,967</u> | <u>2,509,926</u> |
| Net Assets: | | |
| Beginning of Period/Year | <u>7,396,725</u> | <u>4,886,799</u> |
| End of Period/Year | <u>\$ 7,647,692</u> | <u>\$ 7,396,725</u> |
| Share Transactions: | | |
| Issued..... | - | 275,000 |
| Redeemed..... | <u>-</u> | <u>(200,000)</u> |
| Net Increase in Shares Outstanding From Share Transactions..... | <u>-</u> | <u>75,000</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 Period/Year

| | Six Months Ended June 30, 2024 (Unaudited) | Year Ended December 31, 2023 | Year Ended December 31, 2022 | Period Ended December 31, 2021 ⁽¹⁾ |
|--|---|---------------------------------------|---------------------------------------|--|
| Net Asset Value, Beginning of Period/Year | \$24.66 | \$21.72 | \$26.07 | \$25.00 |
| Income (Loss) from Investment Operations: | | | | |
| Net Investment Income* | 0.31 | 0.65 | 0.76 | 0.60 |
| Net Realized and Unrealized Gain (Loss) | 0.83 | 3.04 | (4.54) | 1.02 |
| Total from Investment Operations | 1.14 | 3.69 | (3.78) | 1.62 |
| Dividends and Distributions: | | | | |
| Net Investment Income..... | (0.31) | (0.75) | (0.57) | (0.55) |
| Total Dividends and Distributions | (0.31) | (0.75) | (0.57) | (0.55) |
| Net Asset Value, End of Period/Year..... | \$25.49 | \$24.66 | \$21.72 | \$26.07 |
| Total Return † | 4.63% | 17.13% | (14.44)% | 6.49% |
| Ratios and Supplemental Data | | | | |
| Net Assets, End of Period/Year (Thousands)..... | \$7,648 | \$7,397 | \$4,887 | \$3,259 |
| Ratio of Expenses to Average Net Assets ⁽²⁾ | 0.49%†† | 0.38% | 0.37% | 0.38%†† |
| Ratio of Expenses to Average Net Assets (Excluding Waivers) ⁽²⁾ | 0.50%†† | 0.50% | 0.50% | 0.50%†† |
| Ratio of Net Investment Income to Average Net Assets | 2.51%†† | 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.

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

†† 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 58 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 Asset Management (the "Sub-Adviser"), a Delaware limited liability company, serves as sub-adviser. 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, Inc. (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 accompanying financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and are presented in U.S. dollars which is the functional currency of the Fund. The Fund is an investment company and therefore applies the accounting and reporting guidance issued by the U.S. Financial Accounting Standards Board ("FASB") in Accounting Standards Codification ("ASC") Topic 946, Financial Services — Investment Companies. The following are significant accounting policies which are consistently followed in the preparation of the financial statements.

Use of Estimates — The preparation of financial statements 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

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 six-months ended June 30, 2024, 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.

Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates. The Fund or their agent files withholding tax reclaims in certain jurisdictions to recover certain amounts previously withheld. The Fund may record a reclaim receivable based on collectability, which includes factors such as the jurisdiction's applicable laws, payment history and market convention. Professional fees paid to those that provide assistance in receiving the tax reclaims, which generally are contingent upon successful receipt of reclaimed amounts, are recorded in Professional Fees on the Statement of Operations once the amounts are due. The professional fees related to pursuing these tax reclaims are not subject to the Adviser's expense limitation agreement.

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.

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 June 30, 2024:

| <u>Creation Unit Shares</u> | <u>Creation Transaction Fee</u> | <u>Value at June 30, 2024</u> | <u>Redemption Transaction Fee</u> |
|---------------------------------|---|---------------------------------------|---|
| 25,000 | \$ 1,000 | \$ 637,250 | \$ 1,000 |

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 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 six-months ended June 30, 2024, 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 six-months ended June 30, 2024, 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.

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, 2025. 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, 2025. For the six-months ended June 30, 2024, the Adviser waived fees of \$228 which will not be available for recapture.

The Sub-Adviser is responsible for trading portfolio securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions or in connection with any rebalancing or reconstitution of the Index, pre- and post-trade compliance, and monitoring of Fund trading activity, subject to the oversight 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.

6. Investment Transactions:

For the six-months ended June 30, 2024, 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> | |
|------------------|-----|-----------------------------|--------|
| \$ | 501 | \$ | 40,935 |

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

For the six-months ended June 30, 2024, there were no in-kind transactions associated with creations and redemptions in the Fund.

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 distributable earnings or paid-in capital, as appropriate, in the period that the differences arise.

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 |

The Federal tax cost and aggregate gross unrealized appreciation and depreciation for securities held by the Fund at June 30, 2024, 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> |
|-------------------------|--|--|------------------------------------|
| \$ 6,839,006 | \$ 991,322 | \$ (249,812) | \$ 741,510 |

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.

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 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.

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.

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.

9. Other:

At June 30, 2024, 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.

APPROVAL OF INVESTMENT SUB-ADVISORY AGREEMENT (Form N-CSRS Item 11)

Pursuant to Section 15 of the Investment Company Act of 1940 (the "1940 Act"), the Fund's advisory and sub-advisory agreements (the "Agreements") must be renewed at least annually after their initial two-year term: (i) by the vote of the Board of Trustees (the "Board" or the "Trustees") of The Advisors' Inner Circle Fund III (the "Trust") or by a vote of a majority of the shareholders of the Fund; and (ii) by the vote of a majority of the Trustees 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 renewal.

A Board meeting was held on March 26–27, 2024 to decide whether to renew the Agreements for additional one-year terms. In preparation for the meeting, the Trustees requested that the Adviser and the Sub-Adviser furnish information necessary to evaluate the terms of the Agreements. Prior to the meeting, the Independent Trustees of the Fund met to review and discuss the information provided and submitted a request for additional information to the Adviser and the Sub-Adviser, and information was provided in response to this request. The Trustees used this information, as well as other information that the Adviser, the Sub-Adviser and other service providers of the Fund presented or submitted to the Board at the meeting and other meetings held during the prior year, to help them decide whether to renew the Agreements for an additional year.

Specifically, the Board requested and received written materials from the Adviser, the Sub-Adviser and other service providers of the Fund regarding: (i) the nature, extent and quality of the Adviser's and the Sub-Adviser's services; (ii) the Adviser's and the Sub-Adviser's investment management personnel; (iii) the Adviser's and the Sub-Adviser's operations and financial condition; (iv) the Adviser's and the Sub-Adviser's brokerage practices (including any soft dollar arrangements) and investment strategies; (v) the Fund's advisory fee paid to the Adviser and the Sub-Adviser and the Fund's overall fees and operating expenses compared with a peer group of mutual funds; (vi) the level of the Adviser's and the Sub-Adviser's profitability from their relationships with the Fund, including both direct and indirect benefits accruing to the Adviser and the Sub-Adviser and their affiliates; (vii) the Adviser's and the Sub-Adviser's potential economies of scale; (viii) the Adviser's and the Sub-Adviser's compliance programs, including a description of material compliance matters and material compliance violations; (ix) the Adviser's and the Sub-Adviser's policies on and compliance procedures for personal securities transactions; and (x) the Fund's performance compared with a peer group of mutual funds and the Fund's benchmark index.

Representatives from the Adviser and the Sub-Adviser, along with other Fund service providers, presented additional information and participated in question and answer sessions at the Board meeting to help the Trustees evaluate the Adviser's and the Sub-Adviser's services, fees and other aspects of the Agreements. The Independent Trustees received advice from independent counsel and met in executive sessions outside the presence of Fund management, the Adviser and the Sub-Adviser.

At the Board meeting, the Trustees, including all of the Independent Trustees, based on their evaluation of the information provided by the Adviser, the Sub-Adviser and other service providers of the Fund, renewed the Agreements. In considering the renewal of the Agreements, the Board considered various factors that they determined were relevant, including: (i) the nature, extent and quality of the services provided by the Adviser and the Sub-Adviser; (ii) the investment performance of the Fund and the Adviser and the Sub-Adviser; (iii) the costs of the services provided and profits realized by the Adviser and the Sub-Adviser from their relationships with the Fund, including both direct and indirect benefits accruing to the Adviser and the Sub-Adviser and their affiliates; (iv) the extent to which economies of scale are being realized by the Adviser and the Sub-Adviser; and (v) whether fee levels reflect such economies of scale for the benefit of Fund investors, as discussed in further detail below.

Nature, Extent and Quality of Services Provided by the Adviser and the Sub-Adviser

In considering the nature, extent and quality of the services provided by the Adviser and the Sub-Adviser, the Board reviewed the portfolio management services provided by the Adviser and the Sub-Adviser to the Fund, including the quality and continuity of the Adviser's and the Sub-Adviser's portfolio management personnel, the resources of the Adviser and the Sub-Adviser, and the Adviser's and the Sub-Adviser's compliance histories and compliance programs. The Trustees reviewed the terms of the Agreements. The Trustees also reviewed the Adviser's and the Sub-Adviser's investment and risk management approaches for the Fund. The Trustees considered that the Adviser supervises and monitors the performance of the Sub-Adviser. The most recent investment adviser registration forms ("Form ADV") for the Adviser and the Sub-Adviser were available to the Board, as were the responses of the Adviser and the Sub-Adviser to a detailed series of questions which included, among other things, information about the investment advisory services provided by the Adviser and the Sub-Adviser to the Fund.

The Trustees also considered other services provided to the Fund by the Adviser and the Sub-Adviser 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 provided to the Fund by the Adviser and the Sub-Adviser were sufficient to support renewal of the Agreements.

Investment Performance of the Fund, the Adviser and the Sub-Adviser

The Board was provided with regular reports regarding the Fund's performance over various time periods. The Trustees also reviewed reports prepared by the Fund's administrator comparing the Fund's performance to its benchmark index and a peer group of mutual funds as classified by Lipper, an independent provider of investment company data, over various periods of time. Representatives from the Adviser and the Sub-Adviser provided information regarding and led discussions of factors impacting the performance of the Fund, outlining current market conditions and explaining their expectations and strategies for the future. The Trustees determined that the Fund's performance was satisfactory, or, where the Fund's performance was materially below its benchmark and/or peer group, the Trustees were satisfied by the reasons for the underperformance and/or the steps taken by the Adviser and the Sub-Adviser in an effort to improve the performance of the Fund. Based on this information, the Board concluded, within the context of its full deliberations, that the investment results that the Adviser and the Sub-Adviser had been able to achieve for the Fund were sufficient to support renewal of the Agreements.

Costs of Advisory Services, Profitability and Economies of Scale

In considering the advisory fee payable by the Fund to the Adviser, as well as the fee payable by the Adviser to the Sub-Adviser, the Trustees reviewed, among other things, a report of the advisory fees paid to the Adviser and the Sub-Adviser. The Trustees also reviewed reports prepared by the Fund's administrator comparing the Fund's net and gross expense ratios and advisory fees to those paid by a peer group of mutual funds as classified by Lipper. The Trustees also considered that the Adviser, not the Fund, paid the Sub-Adviser pursuant to the sub-advisory agreement and that the fee payable to the Sub-Adviser reflected an arms-length negotiation between the Adviser and the Sub-Adviser. The Trustees evaluated both the fee under the sub-advisory agreement and the portion of the fee under the advisory agreement retained by the Adviser. The Board concluded, within the context of its full deliberations, that the advisory fee was reasonable in light of the nature and quality of the services rendered by the Adviser and the Sub-Adviser.

The Trustees reviewed the costs of services provided by and the profits realized by the Adviser and the Sub-Adviser from their relationship with the

Fund, including both direct benefits and indirect benefits, such as research and brokerage services received under soft dollar arrangements, accruing to the Adviser and the Sub-Adviser and their affiliates. The Trustees considered how the Adviser's and the Sub-Adviser's profitability was affected by factors such as their organizational structures and methods for allocating expenses. The Trustees concluded that the profit margins of the Adviser and the Sub-Adviser with respect to the management of the Fund were not unreasonable. The Board also considered the Adviser's and the Sub-Adviser's commitment to managing the Fund and the Adviser's willingness to continue its expense limitation and fee waiver arrangement with the Fund.

The Trustees considered the Adviser's and Sub-Adviser's views relating to economies of scale in connection with the Fund as Fund assets grow and the extent to which the benefits of any such economies of scale are shared with the Fund and Fund shareholders. The Board considered the existence of any economies of scale and whether those were passed along to the Fund's shareholders through a graduated advisory fee schedule or other means, including fee waivers. The Trustees recognized that economies of scale are difficult to identify and quantify and are rarely identifiable on a fund-by-fund basis. Based on this evaluation, the Board concluded that the advisory fee was reasonable in light of the information that was provided to the Trustees by the Adviser and the Sub-Adviser with respect to economies of scale.

Renewal of the Agreements

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 Agreements, including the fees payable thereunder, were fair and reasonable and agreed to renew the Agreements for another year. 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.

Democracy International Fund

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