

The Advisors' Inner Circle Fund III



Democracy International Fund

ANNUAL REPORT

DECEMBER 31, 2021

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-PRO-DMCY; and (ii) on the SEC's website at <https://www.sec.gov>.

LETTER TO SHAREHOLDERS

First off, Thank You

A sincere thank you to all of you who have joined our mission by investing in the Democracy International Fund. We appreciate your support and could not do this without you.

The Power of Voting for Democracy

Democracy Investments was born during the week of July 4th, 2020 after our research indicated our methodology (utilizing *The Economist* Democracy Index) could have resulted in a virtual coin flip in relative performance versus the market cap weighted benchmark index over the prior 15-year period. This research demonstrated investors seeking exposure to international markets could achieve similar results while no longer passively investing in authoritarian states and instead supporting the economic growth of democratic countries. Our team then secured an **exclusive license** to utilize *The Economist* Democracy Index for financial products globally. Now, we can vote with our dollars.

We are pleased to share that your investment in our **market cap AND democracy weighted** strategy has resulted in **outperformance** relative to the three market cap only indices that we consider to be our direct competition. Since the inception on March 31, 2021 through December 31, 2021, the Democracy International Investments index returned **5.92%*** versus **4.06%** 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** (**4.72%**) and MSCI ACWI ex US Index** (**4.18%**).

9 Month Returns – 2021 USD	(3/31/21 – 12/31/21)
Democracy Investments International Index	5.92%
Solactive GBS Global Markets ex US Index	4.06%
Difference	+186 bps
MSCI ACWI Ex US	4.18%
Difference	+174 bps
FTSE All World Ex US	4.72%
Difference	+120 bps

Source: Democracy Investments Index Provider Analysis, 2022

*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. Past performance does not guarantee future results.

** These indices can all be defined as tracking approximately 2500 mid and large cap international equities in developed and emerging markets.

The Democracy International Index inception-to-date outperformance was largely driven by our significant under-weight of China, followed by over-weights to Canada and Switzerland. Performance was only slightly hindered by under-weights to Saudi Arabia, Russia, and India.

Sectors that helped drive performance were under-weights to Consumer Discretionary and Communication Services, as well as slight over-weights to Healthcare and Information Technology. Slight detractors from performance on a sector basis were our minor over-weights to Consumer Staples.

Sector Allocation	Democracy Int'l Index	Benchmark (Solactive)	Difference
Financials	19.03%	19.49%	-0.46%
Industrials	14.08%	13.26%	0.82%
Information Technology	13.65%	12.76%	0.89%
Consumer Discretionary	10.31%	11.26%	-0.95%
Health Care	9.86%	9.24%	0.62%
Consumer Staples	8.99%	8.72%	0.27%
Materials	8.52%	8.32%	0.20%
Communication Services	5.17%	6.05%	-0.88%
Energy	5.04%	5.26%	-0.22%
Utilities	3.14%	3.16%	-0.02%
Real Estate	2.23%	2.49%	-0.26%

Source: Democracy Investments Index Provider Analysis, 2022

The Economist will be publishing their newest Democracy Index in mid-February. We eagerly await to see exactly how the events and policies that transpired over the past year impact Democracy Scores. We expect the global economic forces that began in late 2020 to persist over the next few years – a typical market cycle. We are greatly encouraged by the initial performance vindicated is equivalent to "proven" which we tend to avoid and remain confident in our strategy.

Corruption has a Cost

Over the years, more than a trillion dollars have flowed into passive index fund strategies that allocate capital into authoritarian states. Why should our investments passively support and fuel the growth of authoritarian economies instead of those fighting for democracy? Our Chief Economist Dr. Richard Rikoski often points out that corruption has a cost. At the end of the Cold War, people thought free markets would lead to free societies. Sadly, recent history as well as daily current events have proven that is not the case.

The Democracy International Fund allocates capital according to a country's democracy score, thereby **incentivizing every country to improve their score to get more capital**. As the Fund and our impact grows larger, **we will remember YOU**, our earliest supporters that paved the way to **shift capital flows back toward democracies**, as it should be.

Let Freedom Ring!

Please consider sharing our mission with your friends and networks, and we look forward to your continued support.

Your Democracy Investments Team,

Julie Cane, Christopher Browne, CFA, and Dr. Richard Rikoski

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.

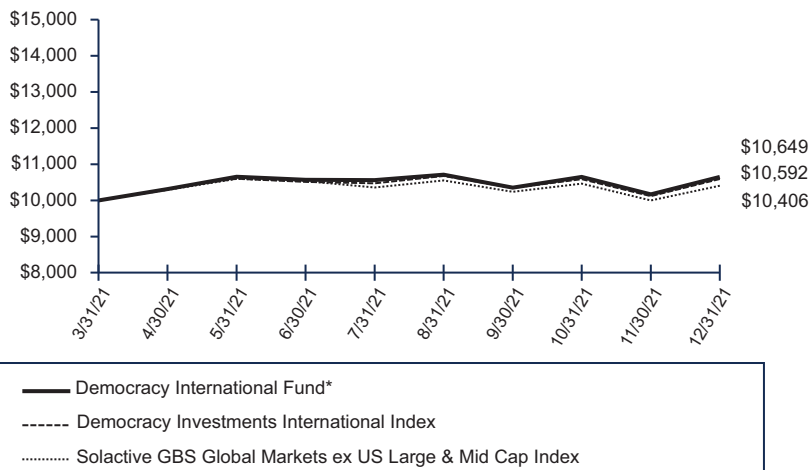
Solactive GBS Global Markets ex US Large & Mid Cap Index consists of over 2,500 individual companies representing 49 countries and intends to track the performance of the large and mid cap segment covering approximately the largest 85% of the freefloat market capitalization in global markets (as determined 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%.

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.

MSCI ACWI ex US Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 25 Emerging Markets (EM) countries. With 2,336 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.

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

Total Return For The Period Ended December 31, 2021	
	Cumulative Inception to Date*
Democracy International Fund	6.49%
Democracy Investments International Index	5.92%
Solactive GBS Global Markets ex US Large & Mid Cap Index	4.06%



* 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 4.

SECTOR WEIGHTINGS (Unaudited)†

49.5%	Exchange Traded Funds
10.7%	Financials
6.8%	Industrials
6.6%	Health Care
5.2%	Information Technology
4.6%	Consumer Staples
4.5%	Materials
4.1%	Consumer Discretionary
3.7%	Energy
2.5%	Utilities
1.5%	Communication Services
0.3%	Real Estate

† Percentages are based on total investments.

SCHEDULE OF INVESTMENTS

COMMON STOCK — 50.0%

	Shares	Fair Value
Belgium — 0.3%		
Ageas	58	\$ 3,005
Anheuser-Busch InBev	106	6,409
		<u>9,414</u>
Brazil — 0.2%		
Wheaton Precious Metals	121	<u>5,200</u>
Canada — 8.7%		
Agnico Eagle Mines	74	3,936
Alimentation Couche-Tard CI B	204	8,560
Bank of Montreal	147	15,849
Bank of Nova Scotia	221	15,668
Barrick Gold	336	6,397
BCE	136	7,085
Brookfield Asset Management, CI A	226	13,668
Canadian Imperial Bank of Commerce	101	11,790
Canadian National Railway	112	13,777
Canadian Natural Resources	306	12,948
Canadian Pacific Railway	123	8,859
CGI, CI A*	62	5,490
Enbridge	358	14,004
Fortis	163	7,875
Manulife Financial	489	9,334
Nutrien	166	12,495
Rogers Communications, CI B	102	4,864

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

COMMON STOCK (continued)

	Shares	Fair Value
Canada (continued)		
Royal Bank of Canada	238	\$ 25,295
Shopify, Cl A*	17	23,440
Sun Life Financial	146	8,138
Suncor Energy	338	8,469
TC Energy	183	8,523
TELUS	277	6,533
Toronto-Dominion Bank	301	23,110
Waste Connections	57	7,780
		283,887
China — 0.6%		
NXP Semiconductors	32	7,289
Prosus*	147	12,292
		19,581
Denmark — 2.0%		
Coloplast, Cl B	39	6,864
DSV	46	10,744
Genmab*	17	6,836
Novo Nordisk, Cl B	245	27,533
Orsted	49	6,257
Vestas Wind Systems	226	6,911
		65,145
Finland — 1.0%		
Kone, Cl B	71	5,090
Neste	80	3,945
Nokia	1,034	6,554
Nordea Bank	644	7,899
UPM-Kymmene	217	8,257
		31,745
France — 5.9%		
Air Liquide	71	12,379
Airbus*	106	13,544
AXA	368	10,958
BNP Paribas	206	14,236
Capgemini	31	7,597
Cie de Saint-Gobain	105	7,388
Danone	106	6,581
Dassault Systemes	129	7,674
Engie	407	6,023

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

COMMON STOCK (continued)

	Shares	Fair Value
France (continued)		
EssilorLuxottica	50	\$ 10,647
Legrand	66	7,723
LVMH Moët Hennessy Louis Vuitton	35	28,936
Orange	287	3,072
Safran	63	7,713
Sanofi	132	13,297
TotalEnergies	364	18,474
Vinci	120	12,679
Worldline*	70	3,902
		<u>192,823</u>
Germany — 5.0%		
adidas	26	7,486
BASF	172	12,084
Bayer	158	8,445
Bayerische Motoren Werke	61	6,138
BioNTech ADR*	12	3,094
Daimler	132	10,146
Daimler Truck Holding*	66	2,424
Delivery Hero*	28	3,120
Deutsche Bank*	439	5,501
Deutsche Boerse	33	5,520
Deutsche Post	152	9,773
Deutsche Telekom	565	10,473
Deutsche Wohnen	53	2,229
E.ON	512	7,099
Fresenius & Co	100	4,026
Infineon Technologies	201	9,317
RWE	175	7,109
SAP	146	20,737
Siemens	127	22,051
Vonovia	68	3,750
Zalando*	50	4,045
		<u>164,567</u>
Ireland — 0.5%		
CRH PLC	106	5,608
Flutter Entertainment PLC*	38	6,007
ICON PLC*	15	4,645
		<u>16,260</u>

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

COMMON STOCK (continued)

	Shares	Fair Value
Italy — 1.3%		
Enel	1,378	\$ 11,042
Eni	650	9,033
Ferrari	17	4,398
Intesa Sanpaolo	4,560	11,792
Snam	1,190	7,172
		<u>43,437</u>
Netherlands — 3.2%		
Akzo Nobel	45	4,938
ASML Holding	60	48,220
Heineken	51	5,734
ING Groep	886	12,334
Just Eat Takeaway.com*	50	2,756
Koninklijke Ahold Delhaize	262	8,979
Koninklijke Philips	170	6,334
Stellantis*	411	7,799
Wolters Kluwer	60	7,069
		<u>104,163</u>
Spain — 1.4%		
Amadeus IT Group*	103	6,986
Banco Santander	3,834	12,821
Iberdrola	1,098	12,998
Industria de Diseno Textil	207	6,716
Telefonica	1,075	4,709
		<u>44,230</u>
Sweden — 2.9%		
Atlas Copco, Cl A	190	13,133
Castellum	129	3,474
Essity, Cl B	190	6,199
Evolution	44	6,251
H & M Hennes & Mauritz, Cl B	197	3,875
Hexagon, Cl B	654	10,376
Investor, Cl B	519	13,055
Kinnevik, Cl B*	79	2,816
Nibe Industrier, Cl B	499	7,537
Sandvik	284	7,923
Swedbank	284	5,712
Telefonaktiebolaget LM Ericsson, Cl B	545	6,007
Volvo, Cl B	352	8,151
		<u>94,509</u>

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

COMMON STOCK (continued)

	Shares	Fair Value
Switzerland — 6.5%		
ABB	343	\$ 13,138
Alcon	98	8,684
Cie Financiere Richemont, CL A	77	11,574
Credit Suisse Group	475	4,625
Holcim	90	4,594
Lonza Group	15	12,538
Nestle	345	48,254
Novartis	310	27,314
Roche Holding	98	40,775
Sika	28	11,684
STMicroelectronics	105	5,225
Swiss Re	50	4,953
UBS Group	536	9,659
Zurich Insurance Group	21	9,228
		<u>212,245</u>
United Kingdom — 10.5%		
Anglo American PLC	255	10,417
Ashtead Group PLC	122	9,819
AstraZeneca PLC	212	24,918
BAE Systems PLC	686	5,109
Barclays PLC	4,060	10,283
Barratt Developments PLC	661	6,697
BHP Group PLC	478	14,240
BP PLC	3,282	14,692
British American Tobacco PLC	351	12,995
Compass Group PLC*	367	8,207
Croda International PLC	62	8,498
Diageo PLC	392	21,429
Experian PLC	172	8,461
GlaxoSmithKline PLC	660	14,362
Glencore PLC	2,489	12,640
HSBC Holdings PLC	3,168	19,251
Informa PLC*	699	4,891
Legal & General Group PLC	1,510	6,085
Lloyds Banking Group PLC	14,503	9,390
London Stock Exchange Group PLC	70	6,570
Mondi PLC	156	3,858
National Grid PLC	732	10,508
Prudential PLC	458	7,906
RELX PLC	362	11,777

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

COMMON STOCK (continued)

	Shares	Fair Value
United Kingdom (continued)		
Royal Dutch Shell PLC, Cl B	1,375	\$ 30,209
Smith & Nephew PLC	294	5,151
SSE PLC	280	6,254
Standard Chartered PLC	811	4,925
Taylor Wimpey PLC	2,487	5,912
Unilever PLC	365	19,505
Vodafone Group PLC	5,176	7,870
		<u>342,829</u>
Total Common Stock (Cost \$1,580,556)		<u>1,630,035</u>

EXCHANGE TRADED FUNDS — 49.3%

iShares MSCI Australia ETF	1,493	37,071
iShares MSCI Austria ETF	829	21,098
iShares MSCI Brazil ETF	1,256	35,256
iShares MSCI Chile ETF	79	1,824
iShares MSCI China ETF	250	15,693
iShares MSCI India ETF	1,729	79,257
iShares MSCI Indonesia ETF	449	10,314
iShares MSCI Israel ETF	365	28,433
iShares MSCI Japan ETF	1,166	78,075
iShares MSCI Malaysia ETF	354	8,861
iShares MSCI Mexico ETF	286	14,472
iShares MSCI Philippines ETF	219	6,929
iShares MSCI Poland ETF	595	12,531
iShares MSCI Russia ETF	292	12,509
iShares MSCI South Africa ETF	516	23,942
iShares MSCI Taiwan ETF	2,236	148,940
iShares MSCI Thailand ETF	183	13,934
Vanguard FTSE Emerging Markets ETF	4,615	228,258
Vanguard FTSE Pacific ETF	10,642	830,182
		<u>1,607,579</u>
Total Exchange Traded Funds (Cost \$1,673,426)		<u>1,607,579</u>

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

PREFERRED STOCK — 0.4%

	Shares	Fair Value
Germany — 0.4%		
Henkel & Co#	53	\$ 4,288
Volkswagen#	40	8,073
Total Preferred Stock		
(Cost \$15,772)		12,361
Total Investments - 99.7%		
(Cost \$3,269,754)		\$ 3,249,975

Percentages are based on Net Assets of \$3,258,622.

* 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, 2021, 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 the period ended December 31, 2021, there were no transfers in or out of Level 3.

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 \$3,269,754)	\$ 3,249,975
Foreign Currency, at Value (Cost \$938)	956
Cash	40,116
Receivable for Investment Securities Sold	4,388
Dividends Receivable	2,321
Reclaim Receivable	1,206
Total Assets	<u>3,298,962</u>
Liabilities:	
Income Distributions Payable	39,713
Payable to Investment Adviser	626
Unrealized Loss on Foreign Spot Currency Contracts	1
Total Liabilities	<u>40,340</u>
Net Assets	<u>\$ 3,258,622</u>
Net Assets Consist of:	
Paid-in Capital	\$ 3,297,818
Total Accumulated Losses	(39,196)
Net Assets	<u>\$ 3,258,622</u>
Outstanding Shares of beneficial interest (unlimited authorization — no par value)	125,000
Net Asset Value, Offering and Redemption Price Per Share	<u>\$ 26.07</u>

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

STATEMENT OF OPERATIONS

Investment Income:

Dividends	\$ 75,214
Less: Foreign Taxes Withheld	(2,884)

Total Investment Income	<u>72,330</u>
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Expenses:

Investment Advisory Fees	10,565
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Total Expenses	<u>10,565</u>
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Less:

Waiver of Investment Advisory Fees	(2,450)
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Net Expenses	<u>8,115</u>
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Net Investment Income	<u>64,215</u>
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Net Realized Gain (Loss) on:

Investments ⁽¹⁾	41,153
Foreign Currency Transactions	(562)

Net Realized Gain on Investments and Foreign Currency Transactions	<u>40,591</u>
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Net Unrealized Depreciation on:

Investments	(19,779)
Foreign Currency Translation	(4)

Net Unrealized Depreciation on Investments and Foreign Currency Translation	<u>(19,783)</u>
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Net Realized and Unrealized Gain on Investments, Foreign Currency Transactions, and Foreign Currency Translation	<u>20,808</u>
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Net Increase in Net Assets Resulting from Operations	<u>\$ 85,023</u>
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* Commenced operations on March 31, 2021.

(1) Includes realized gains (losses) as a result of in-kind redemptions. (See Note 6 in Notes to Financial Statements.)

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

STATEMENT OF CHANGES IN NET ASSETS

	Period Ended December 31, 2021 ⁽¹⁾
Operations:	
Net Investment Income	\$ 64,215
Net Realized Gain on Investments and Foreign Currency Transactions ⁽²⁾	40,591
Net Unrealized Depreciation on Investments and Foreign Currency Translation	(19,783)
Net Increase in Net Assets Resulting From Operations	<u>85,023</u>
Distributions	<u>(63,720)</u>
Capital Share Transactions:	
Issued	3,905,982
Redeemed	(668,663)
Net Increase in Net Assets From Capital Share Transactions	<u>3,237,319</u>
Total Increase in Net Assets	<u>3,258,622</u>
Net Assets:	
Beginning of Period	—
End of Period	<u><u>\$3,258,622</u></u>
Share Transactions:	
Issued	150,000
Redeemed	(25,000)
Net Increase in Shares Outstanding From Share Transactions	<u><u>125,000</u></u>

(1) Commenced operations on March 31, 2021.

(2) Includes realized gains (losses) as a result of in-kind redemptions. (See Note 6 in Notes to Financial Statements.)

Amount designated as "—" is \$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

	Period Ended December 31, 2021 ⁽¹⁾
Net Asset Value, Beginning of Period	\$25.00
Income from Investment Operations:	
Net Investment Income*	0.60
Net Realized and Unrealized Gain	1.02
Total from Investment Operations	1.62
Dividends and Distributions:	
Net Investment Income	(0.55)
Total Dividends and Distributions	(0.55)
Net Asset Value, End of Period	\$26.07
Total Return †	6.49%

Ratios and Supplemental Data

Net Assets, End of Period (Thousands)	\$3,259
Ratio of Expenses to Average Net Assets ⁽²⁾	0.38%††
Ratio of Expenses to Average Net Assets (Excluding Waivers) ⁽²⁾	0.50%††
Ratio of Net Investment Income to Average Net Assets	3.03%††
Portfolio Turnover Rate	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.

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 55 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 Investment Advisory, LLC (the "Sub-Adviser") serves as the 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.

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" established by the Fund's Board of Trustees (the "Board"). The Fund's Fair Value Procedures are implemented through a Fair Value Committee (the "Committee") designated by the Board. 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 pricing procedures approved by the Board, 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 the period ended December 31, 2021, there have been no significant changes to the Fund's fair valuation methodology.

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 period ended December 31, 2021, 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.

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.

The following table discloses Creation Unit breakdown for the period ended December 31, 2021:

	<u>Creation Unit Shares</u>	<u>Creation Transaction Fee</u>	<u>Value</u>	<u>Redemption Transaction Fee</u>
Democracy International Fund	25,000	\$3,000	\$651,750	\$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 period ended December 31, 2021, 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 period ended December 31, 2021, 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, 2022. 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, 2022. For the period ended December 31, 2021, the Adviser waived fees of \$2,450 which will not be available for recapture.

On March 29, 2021, the Adviser and Vident Investment Advisory, LLC (the "Sub-Adviser") entered into an investment sub-advisory agreement with respect to the Fund (the "Sub-Advisory Agreement"). Pursuant to a Sub-Advisory Agreement, the Sub-Adviser is responsible for trading portfolio securities on behalf of the Fund, including selecting broker-dealers to execute purchase and sale transactions as instructed by the Adviser or in connection with any rebalancing or reconstitution of the Fund's Index, 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.

6. Investment Transactions:

For the period ended December 31, 2021, 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>
\$ 1,425,301	\$ 111,936

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

For the period ended December 31, 2021, in-kind transactions associated with creations and redemptions were:

<u>Purchases</u>	<u>Sales</u>	<u>Realized Gain</u>
\$ 2,576,238	\$ 661,043	\$ 60,499

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, 2021, the Fund reclassified the following permanent amount between capital paid-in and distributable earnings (accumulated losses), the reclassification is primarily related to the redemption of shares in-kind:

<u>Distributable Earnings (Accumulated Losses)</u>	<u>Paid-in Capital</u>
\$ (60,499)	\$ 60,499

The tax character of dividends and distributions declared during the period ended December 31, 2021 were as follows:

	<u>Ordinary Income</u>	<u>Total</u>
2021	\$ 63,720	\$ 63,720

As of December 31, 2021, the components of Accumulated Losses on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,240
Capital Loss Carryforwards	(408)
Post-October Losses	(19,133)
Unrealized Depreciation	(20,896)
Other Temporary Differences	1
Total Accumulated Losses:	<u>\$ (39,196)</u>

Post-October capital losses represent losses realized on investment transactions from November 1, 2021 through December 31, 2021 that, in accordance with federal income tax regulations, the Fund may defer and treat as having arisen in the following fiscal year.

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>
\$ 408	\$ —	\$ 408

For Federal income tax purposes the difference between Federal tax cost and book cost primarily relates to passive foreign investment companies which cannot be used for Federal income tax purposes in the current year and have been deferred for use in future years.

The Federal tax cost and aggregate gross unrealized appreciation and depreciation for securities held by the Fund at December 31, 2021, were as follows:

<u>Federal Tax Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
\$ 3,270,867	\$ 124,649	\$ (145,545)	\$ (20,896)

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.

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.

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.

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 NYSE Arca, Inc. (the "Exchange") above or below their net asset value ("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 depositary 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 FUND RISK — Because the Fund is new, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

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, 2021, the records of the Trust reflected that 100% of the Fund's total shares outstanding were held by two Authorized Participants, in the form of Creation Units. However, the individual shares comprising such Creation Units are listed and traded on the Exchange and have been purchased and sold by persons other than Authorized Participants.

10. Subsequent Events:

The Fund has evaluated the need for additional disclosures (other than what is disclosed in the following paragraph) 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 as of December 31, 2021.

On September 7, 2021, Brown Brothers Harriman & Co. ("BBH"), the Fund's custodian, announced that it had entered into an agreement with State Street Bank and Trust Company ("State Street") to sell BBH's Investor Services business to State Street (the "Transaction"). The Transaction is subject to certain closing conditions, including regulatory and customary approvals, and it is expected to be consummated in the first quarter of 2022 (the "Closing Date"). Consequently, as a result of the Transaction, it is expected that State Street will replace BBH as the Fund's custodian effective as of the Closing Date.

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, hereafter referred to as the "Fund") as of December 31, 2021, and the related statements of operations and changes in net assets, including the related notes, and the financial highlights 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, 2021, and the results of its operations, changes in its net assets, and the financial highlights 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 audit. 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 audit 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 audit 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 audit 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, 2021 by correspondence with the custodian. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

March 1, 2022

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

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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 ¹	Principal Occupation in the Past Five Years
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INTERESTED TRUSTEES^{2, 3}

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.
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INDEPENDENT TRUSTEES³

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.
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Thomas P. Lemke (Born: 1954)	Trustee (since 2014)	Retired since 2013. Executive Vice President and General Counsel, Legg Mason, Inc. from 2005 to 2013.
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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. 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.

3. Trustees oversee 55 funds in The Advisors' Inner Circle Fund III.

"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-PRO-DMCY. The following chart lists Trustees and Officers as of December 31, 2021.

**Other Directorships
Held in the Past Five Years⁴**

Current Directorships: Trustee of Gallery Trust, Schroder Series Trust, Schroder Global Series 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 O'Connor EQUUS (closed-end investment company) to 2016. Trustee of SEI Liquid Asset Trust to 2016. Trustee of Winton Series Trust to 2017. 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.

Current Directorships: Trustee of City National Rochdale Funds, Gallery Trust, Schroder Series Trust, Schroder Global Series Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Tender Fund, Delaware Wilshire Private Markets Tender Fund. Director of Chiron Capital Allocation Fund Ltd.

Former Directorships: Trustee of O'Connor EQUUS (closed-end investment company) to 2016. Member of Independent Committee of Nuveen Commodities Asset Management to 2016. Trustee of Winton Series Trust to 2017. Trustee of Winton Diversified Opportunities Fund (closed-end investment company) to 2018.

Current Directorships: Trustee of Gallery Trust, Schroder Series Trust, Schroder Global Series Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund, Delaware Wilshire Private Markets Tender Fund, JP Morgan Active Exchange-Traded Funds (33 Portfolios) and Symmetry Panoramic Trust (8 Portfolios). Director of Chiron Capital Allocation Fund Ltd.

Former Directorships: Trustee of Munder Funds to 2014. Trustee of Victory Funds to 2015. Trustee of O'Connor EQUUS (closed-end investment company) to 2016. Trustee of Winton Series Trust and AXA Premier VIP Trust to 2017. Trustee of Winton Diversified Opportunities Fund (closed-end investment company) to 2018.

⁴ 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.

TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND III

Name and Year of Birth	Position with the Trust and Length of Time Served ¹	Principal Occupation During the Past Five Years
INDEPENDENT TRUSTEES (continued)²		
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.
OFFICERS		
Michael Beattie (Born: 1965)	President (since 2014)	Director of Client Service, SEI Investments Company, 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 55 funds in The Advisors' Inner Circle Fund III.

Other Directorships
Held in the Past Five Years²

Current Directorships: Trustee of Gallery Trust, Schroder Series Trust, Schroder Global Series 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, Director of Element Solutions Inc., Director of Xerox Holdings Corporation, and Director Nominee for Lucid Group, Inc.

Current Directorships: Chairman of the Board of Trustees of City National Rochdale Funds, Trustee of Gallery Trust, Schroder Series Trust, Schroder Global Series 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.

Current Directorships: Trustee of Gallery Trust, Schroder Series Trust, Schroder Global Series 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.

Former Directorships: Trustee of O'Connor EQUUS (closed-end investment company) to 2016, Trustee of Winton Series Trust to 2017, Trustee of Winton Diversified Opportunities Fund (closed-end investment company) to 2018.

None.

None.

None.

TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND III

Name and Year of Birth	Position with Trust and Length of Time Served	Principal Occupation During the Past Five Years
OFFICERS (continued)		
Russell Emery (Born: 1962)	Chief Compliance Officer (since 2014)	Chief Compliance Officer of SEI Structured Credit Fund, LP since 2007. Chief Compliance Officer of The Advisors' Inner Circle Fund, The Advisors' Inner Circle Fund II, Bishop Street Funds, Frost Family of Funds, Catholic Responsible Investments Funds, Gallery Trust, Schroder Series Trust, Schroder Global Series Trust, Delaware Wilshire Private Markets Master Fund, Delaware Wilshire Private Markets Fund, Delaware Wilshire Private Markets Tender Fund, SEI Institutional Managed Trust, SEI Asset Allocation Trust, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Daily Income Trust, SEI Tax Exempt Trust, Adviser Managed Trust, New Covenant Funds, SEI Insurance Products Trust and SEI Catholic Values Trust. Chief Compliance Officer of O'Connor EQUUS (closed-end investment company) to 2016. Chief Compliance Officer of SEI Liquid Asset Trust to 2016. Chief Compliance Officer of Winton Series Trust to 2017. Chief Compliance Officer of Winton Diversified Opportunities Fund (closed-end investment company) to 2018. Chief Compliance Officer of The KP Funds to 2021.
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.
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.

Other Directorships
Held in the Past Five Years

None.

None.

None.

None.

None.

TRUSTEES AND OFFICERS OF THE ADVISORS' INNER CIRCLE FUND III

Name and Year of Birth	Position with Trust and Length of Time Served	Principal Occupation During the Past Five Years
OFFICERS (continued)		
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.
Bridget E. Sudall (Born: 1980)	Privacy Officer (since 2015) Anti-Money Laundering Officer (since 2015)	Senior Associate and AML Officer, Morgan Stanley Alternative Investment Partners, from 2011 to 2015. Investor Services Team Lead, Morgan Stanley Alternative Investment Partners, from 2007 to 2011.

Other Directorships
Held in the Past Five Years

None.

None.

DISCLOSURE OF FUND EXPENSES

All mutual funds have operating expenses. As a shareholder of a mutual fund, your investment is affected by these ongoing costs, which include (among others) costs for Fund 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 mutual fund's gross income and directly reduce your final investment return. These expenses are expressed as a percentage of the mutual fund's average net assets; this percentage is known as the mutual fund'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, 2021 to December 31, 2021.

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 mutual funds.

DISCLOSURE OF FUND EXPENSES – concluded

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.

	Beginning Account Value 7/01/21	Ending Account Value 12/31/21	Annualized Expense Ratios	Expenses Paid During Period*
Actual Fund Return	\$1,000.00	\$1,007.60	0.38%	\$1.92
Hypothetical 5% Return	1,000.00	1,023.29	0.38	1.94

* 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).

NOTICE TO SHAREHOLDERS

For shareholders that do not have a December 31, 2021 tax year end, this notice is for informational purposes only. For shareholders with a December 31, 2021 tax year end, please consult your tax advisor as to the pertinence of this notice. For the fiscal period ended December 31, 2021, the Fund is designating the following items with regard to distributions paid during the period:

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)
0.00%	0.00%	100.00%	100.00%	0.00%	67.44%	0.00%	0.00%	0.00%	0.00%

- 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.

The information reported herein may differ from the information and distributions taxable to the shareholder for the calendar year ending December 31, 2021. Complete information will be computed and reported with your 2021 Form 1099-DIV.

NOTES

Democracy International Fund

c/o SEI Investments Distribution Co.
One Freedom Valley Drive
Oaks, PA 19456
1-877-PRO-DMCY

Investment Adviser:

Democracy Investment Management LLC
1480 Moraga Road, Suite C #378
Moraga, CA 94556

Investment Sub-Adviser:

Vident Investment Advisory, LLC
1125 Sanctuary Pkwy.
Suite 515
Alpharetta, GA 30009

Administrator:

SEI Investments Global Funds Services
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
1701 Market Street
Philadelphia, PA 19103

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