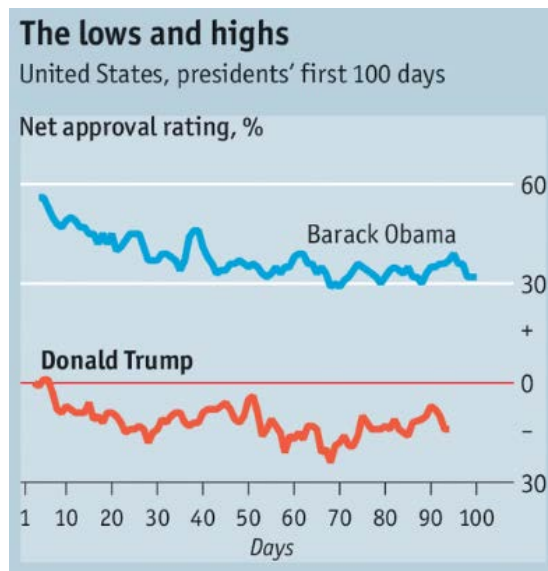


**April in Review**

April saw another month of markets reacting to the uncertainty of political foray and follies from U.S., Europe and Asia.

President Trump has come to the end of his first 100 days in office. Having laid out an ambitious list of goals in his “100-day action plan” last October, some have been achieved and some have not. He has withdrawn America from the Trans-Pacific Partnership, a trade pact, appointed a conservative Supreme Court justice and authorised the building of the Keystone oil pipeline. The wall between the U.S. and Mexico has yet to be paid for by Mexico but Trump still seems intent on its completion. Trump has not labelled China a currency manipulator, his ban on travellers from several Muslim-majority countries has twice been stopped by the courts and he was forced to pull his healthcare bill from a vote in Congress. Generally speaking, an incoming President’s approval ratings start high and decrease over time, whereas President Trump’s approval ratings have arguably begun low. This however does not tell the full story, as his approval rating among Republicans is 85% (Source: Gallup), indicating a strong divide among party lines.



Source: Gallup, The Economist

In Europe, the French went to the polls for the first round of voting in their 2017 presidential elections. Emmanuel Macron achieved 23.8% of the vote versus Marine Le Pen coming second with 21.4%. The other 9 candidates on the ballot will not proceed to the second and final round which will occur on Sunday 7th May. The markets responded positively to the news. It is seen as highly likely that centrist Macron will collect many of the votes of his first-round politically left rivals and most of François Fillon centre-right supporters as well. Most candidates who lost out in the first round have pledged their support to Macron. Some commentators are already proclaiming Macron as President due to his c.20 points lead in most opinion polls, however there is still one week left and with that comes a degree of uncertainty, albeit small. Regardless of who wins, Europe will look ahead to the political upheaval which may occur at the French

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legislative elections. Not forgetting other uncertainties such as the German federal election in September, the snap election called by the UK Prime Minister, Theresa May and not least the ongoing process of Brexit.

Asia was dominated by the ups and down in rhetoric from North Korea and the U.S. this month, with China caught in-between this political-sandwich. Frictions are ongoing due to North Korea's nuclear programme and the U.S. installation of a missile shield. At several points in April, the simmering animosity between the U.S. and North Korea seemed in danger of escalating into conflict, however by the end of the month Trump said he'd be "honoured" to meet Kim Jong Un under the right circumstances.

#### **Market Movements**

April saw cyclical stocks suffer relatively weak performance by mid-month versus defensive stocks, before largely recovering by the end of April. The sectors with the strongest performance this month were Industrials, Consumer Discretionary and Information Technology.

Energy was the worst performing sector this month. This is largely due to falling oil prices because of concerns over increasing U.S. output potentially offsetting efforts by OPEC and its allies to eliminate a global surplus. Our current underweight to Energy benefitted the fund's performance. Our overweight to Information Technology and Industrials was a positive for the fund.

Europe significantly outperformed North America and Asia Pacific, as investors breathed a sigh of relief at the likelihood of Emmanuel Macron winning the French Presidential runoff. Small and mid-caps rallied, doing better than large-caps.

In April, we saw the trade weighted GBP up +3.2% and EUR up +2.3%. The USD was marginally up +0.2%. CAD fell the most last month with -2.5%.

#### **Portfolio update**

Individual stock performance in the month largely followed the above market movements, however below are highlighted key idiosyncratic stock movements throughout the month.

AAC Technologies (+25.5% total return in USD), the Chinese acoustic component manufacturer for smartphones, gained as Apple prepares to launch the iPhone's next iteration later this year. PayPal (+10.9% total return in USD) reported quarterly earnings that beat analysts' estimates and raised its annual forecast, boosted by partnership deals that are delivering growth. Alphabet (+9.1% total return in USD) beat expectations with its Q1 2017 earnings. Schneider Electric (+7.6% total return in USD) has seen strong Q1 organic growth across geographic regions and most businesses with the market expectation that this is set to continue for the rest of 2017. WisdomTree (-8.0% total return in USD) an ETF provider, performance was lacklustre because of the expectation of weaker net flows in Q2 2017. Schlumberger (-7.1% total return in USD) has seen negative revisions to 2Q EPS and to full-year 2017 and 2018 weighing adversely on shares. Qualcomm (-6.3% total return in USD) cut its earnings forecast after Apple withheld royalty payments amid an ongoing legal dispute.

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We made no changes to the portfolio in April.

Thank you for your continued support.

**Portfolio managers**

Dr Ian Mortimer, CFA

Matthew Page, CFA

**Analysts**

Joshua Cole

Sagar Thanki

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**Performance**

In April, the Guinness Atkinson Global Innovators Fund produced a total return of 2.76% (investor class) versus the MSCI World Index return of 1.53%. The fund therefore outperformed the index by 1.23%.

as of 04.30.2017 (in USD)	YTD	1 year	3 years annualized	5 years annualized	10 years annualized	Since inception annualized
Global Innovators, Investor Class <sup>1</sup>	12.30%	25.65%	9.12%	15.33%	8.70%	7.48%
Global Innovators, Institutional Class <sup>2</sup>	12.36%	25.99%	9.24%	15.40%	8.73%	7.50%
MSCI World Index	8.17%	15.35%	6.31%	10.61%	4.56%	5.49%

as of 03.31.2017 (in USD)	YTD	1 year	3 years annualized	5 years annualized	10 years annualized	Since inception annualized
Global Innovators, Investor Class <sup>1</sup>	9.28%	20.25%	8.33%	14.04%	9.01%	7.36%
Global Innovators, Institutional Class <sup>2</sup>	9.32%	20.54%	8.44%	14.12%	9.04%	7.37%
MSCI World Index	6.53%	15.45%	6.15%	10.03%	4.85%	5.42%

Investor class (IWIRX) Inception 12.15.1998

Expense ratio\* 1.24% (net); 1.35% (gross)

Institutional class (GINNX) Inception 12.31.2015

Expense ratio\* 0.99% (net); 1.38% (gross)

*Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. For most recent month-end and quarter-end performance, visit [https://www.gafunds.com/our-funds/global-innovators-fund/#fund\\_performance](https://www.gafunds.com/our-funds/global-innovators-fund/#fund_performance) or call (800) 915-6566.*

**Performance data shown for Global Innovators, Institutional Class (GINNX), prior to its launch date on 12/31/15, uses performance data from the Global Innovators, Investor Class (IWIRX).**

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\*The Advisor has contractually agreed to reduce its fees and/or pay Fund expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, dividends on short positions and extraordinary expenses) in order to limit the Fund's Total Annual Operating Expenses to .99% for the Institutional class and 1.24% for the Investor class through June 30, 2018. To the extent that the Advisor waives its fees and/or absorbs expenses to satisfy this cap, it may seek repayment of a portion or all of such amounts at any time within three fiscal years after the fiscal year in which such amounts were waived or absorbed, subject to the 0.99% for the Institutional class and 1.24% for the Investor class expense cap.

Total returns reflect a fee waiver in effect and in the absence of this waiver, the total returns would be lower

**Mutual fund investing involves risk and loss of principal is possible. Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries. The Fund also invests in medium and smaller companies, which will involve additional risks such as limited liquidity and greater volatility. The Fund may invest in derivatives which involves risks different from, and in certain cases, greater than the risks presented by traditional investments.**

Securities mentioned are not recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk

Top 10 holdings for Global Innovators Fund, as of 04/30/17, are:

1. New Oriental Education 4.21%
2. Samsung Electronics Co Ltd 3.92%
3. Applied Materials Inc 3.87%
4. Boeing Co/The 3.73%
5. PayPal Holdings Inc 3.61%
6. Check Point Software Technologies Ltd 3.60%
7. Cognizant Technology Solutions 3.59%
8. AAC Technologies Holdings Inc 3.55%
9. SAP SE 3.55%
10. Siemens AG 3.50%

For a complete list of holdings for the Global Innovators Fund, please visit <https://www.gafunds.com/our-funds/global-innovators-fund>

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

*This information is authorized for use when preceded or accompanied by a prospectus for the Guinness Atkinson Global Innovators Fund. The prospectus contains more complete information, including investment objectives, risks, charges and expenses related to an ongoing investment in The Fund. Please read the prospectus carefully before investing. The prospectus may be obtained by calling 800-915-6566 or visiting [https://www.gafunds.com/resource-insight-center/#tab\\_fundinfo](https://www.gafunds.com/resource-insight-center/#tab_fundinfo)*

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**Earnings growth is not representative of the Fund's future performance.**

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

One cannot invest directly in an index.

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