Guinness Atkinson

Dividend Builder Fund

Managers Update – May 2020

Summary: Performance

Underperformance in April comes as a result of the market's sharp rebound, led by the Energy and Materials sector (the Fund has no exposure to these sectors). Global efforts to shore up economies included huge monetary and fiscal stimulus packages, and when combined with talks of easing lockdowns, investor optimism led to a rally in the stocks and industries that were previously worst affected. Longer-term, however, underlying issues still remain for businesses who are cash-strapped or envisage significant earnings declines.

Year-to-date outperformance comes as a result of the Fund's stringent focus on quality companies.

- **We invest in companies with consistent high return on capital and strong balance sheets.** Our approach and philosophy have not changed since the Fund's launch in 2012.

- **We have zero exposure to the industries most affected by the virus outbreak**. We have no exposure to banks, energy stocks, travel companies, hotels, airlines, luxury goods, or restaurants.

- **We have 50% of the portfolio in Consumer Staples and Health Care companies** (vs 21% in MSCI World Index), two sectors that have generally performed strongly in the current environment.

Summary: Dividend

Dividend payments have been top of mind in the current market environment where we have seen significant demand shocks across many sectors of the equity market, leading to a significant proportion of companies suspending or reducing their dividend payments. In this report, we attempt to assess the current dividend outlook globally and look specifically at the companies held in the portfolio. To summarize our outlook for the fund:

- **To date (April 30, 2020), no portfolio companies have announced dividend suspensions or dividend cuts.**

- Many companies held in the portfolio have *grown* their dividend this year

- We calculate that approximately 50% of 2019 fund dividend payment has been received (or gone ex-dividend) to date.

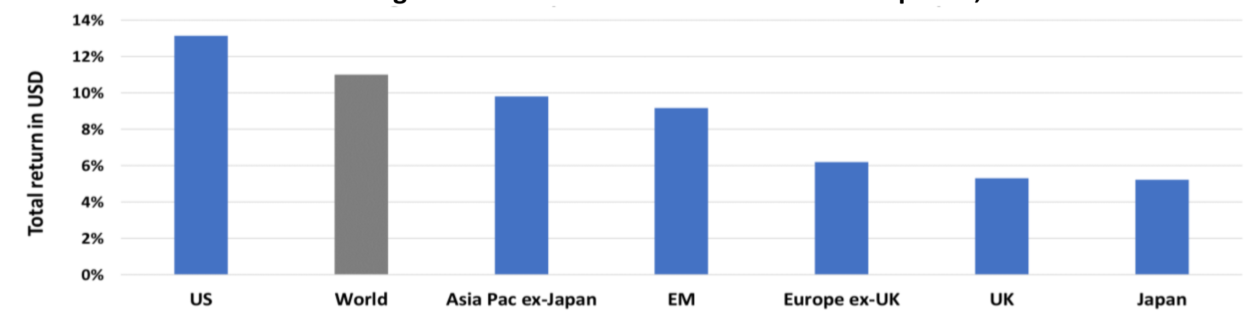
- We identify there is some uncertainty for dividend payments this year for a small number of portfolio holdings, but generally we see a positive outlook for the companies in the portfolio regarding their ability and willingness to pay dividends this year.

- Our current expectation is that the 2020 fund distribution will be similar to 2019 – but we note there are some moving parts to this analysis (FX rates or portfolio changes, for example), and we are therefore carefully monitoring the income received for the portfolio and will update our view as the year progresses.

April in Review

After the severe sell-off seen in March, global equity markets rebounded impressively in April. All regions registered significant gains, with the US leading the pack:

MSCI World Regional Indices Performance: March 31 – April 30, 2020

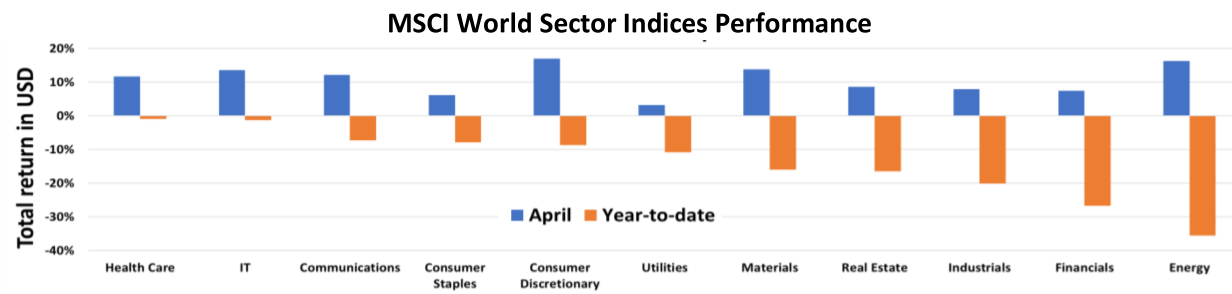


Source: Bloomberg. As of April 30, 2020

In fact, last month marked the S&P 500 Index's strongest rally since January 1987, and the market now sits only 14% below its record high reached earlier this year. After falling 33.8% from February 19th to March 23rd (peak-to-trough), the Index has surged 30.4% through to the end of April.

It is no coincidence that the rally began on March 23rd when the Federal Reserve announced it would do everything in its power to alleviate credit stresses, including buying corporate bonds (and even junk bonds) for the first time. Coupled with President Trump's $3 trillion coronavirus relief bills (for context, the 2009 stimulus package was $831 billion), the current showdown features unprecedented stimulus facing off with an unprecedented economic contraction.

With increased fiscal and monetary support in Europe too, policymakers – for now – have essentially provided equity markets a floor. Combined with increased optimism that lockdown measures have had some success in reducing infection rates, April's market rally was led by sectors which were previously hardest hit.



Source: Bloomberg. As of April 30, 2020

Consumer Discretionary stocks saw the strongest rebound in April as China eased its lockdown, and talks gathered momentum for the US and Europe to do the same soon. Energy and Materials also saw strong performance after being particularly hard-hit in Q1. Though the WTI oil price (benchmark for US oil) temporarily turned negative for the first time in history – as May futures contracts came up for expiry – the sector rebounded after Russia and Saudi reached an agreement on production cuts. The Fund is underweight within the Consumer Discretionary sector (vs the MSCI World Index) and has no holdings in Energy and Materials – this proved a drag in April.

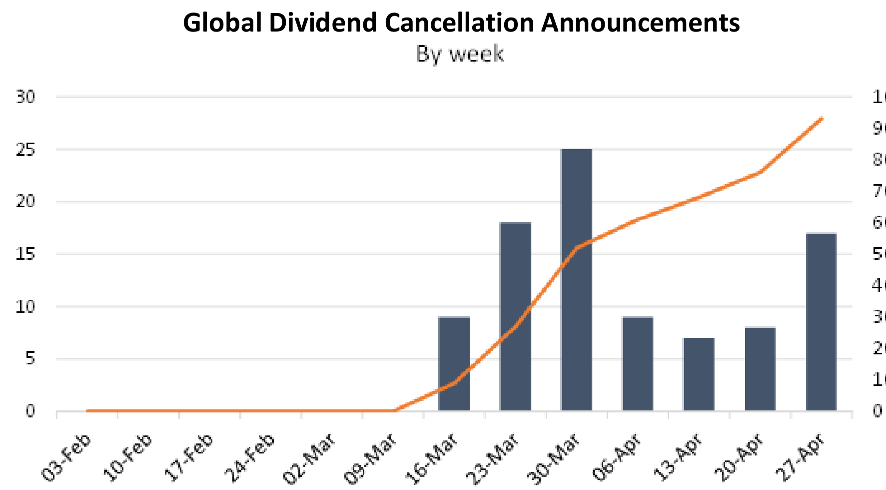
The Fund currently has 50% of the portfolio in Consumer Staples and Healthcare companies (vs 21% in MSCI World Index). These are sectors that tend to be more defensive and so earnings and dividends are less sensitive to the economy. Despite Consumer Staples relatively underperforming in April, the sector – alongside Healthcare and IT – has performed strongly year-to-date.

Financials and Industrials – two highly cyclical sectors – have seen poor performance both in April and year-to-date. Economic data releases have been poor with record unemployment and declining annualized Q1 GDP growth in the US (-4.8%) and Euro-area (-3.8% year-on-year); there are currently high levels of uncertainty regarding the global economic outlook with many questions unanswered.

In the Fund, we currently have a good balance of defensive exposure (Consumer Staples and Healthcare) and cyclical exposure (Industrials, IT, Financials). While the defensive names tend to have lower beta and hold up better when markets are falling, the cyclical holdings allow the Fund to maintain performance when markets are rebounding and rising. We believe that within these more cyclical sectors we are owning the "quality" businesses. All the companies we seek to invest in have strong balance sheets and a history of performing well in difficult market environments. Within financials, for example, we do not own any banks, but we do own exchange groups such as CME and Deutsche Boerse (which have historically done well in periods of market volatility as volumes tend to increase at these time which results in higher revenues for the exchanges).

Dividends: Global review

More companies have suspended their dividends so far this year than in the previous 10 years combined, with companies scrambling to preserve cash as the coronavirus pandemic saps revenue. Companies started cancelling dividends mid-March, as it became increasingly apparent that major western economies would all be going into lockdown.



Source: S&P Capital IQ. Data as of April 30, 2020

With an unprecedented number of dividend cancellations, we identify four main reasons why companies are opting to cut or cancel:

1. **Cash flow destruction** – sudden halt to the economy has led to a "cash crunch"
    - Companies most affected are those with the weakest balance sheets and those within particularly cyclical industries
        - Airlines, travel, leisure e.g. Boeing, Delta, Marriott
        - House builders e.g. Persimmon, Barratt Developments, Taylor Wimpey
        - Retail e.g. Macy's, Nordstrom, M&S, H&M
        - Energy e.g. Royal Dutch Shell, Occidental, Apache, John Wood
        - Autos e.g. Ford

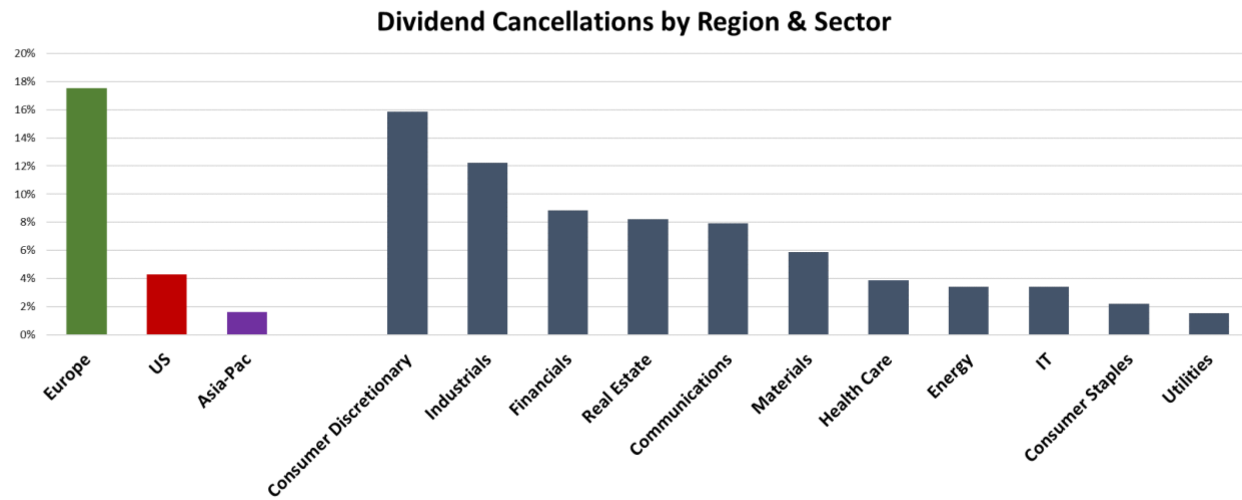
2. **Prudence** – Despite having the ability to pay, significant uncertainty persuades companies to hold on to their cash
    - These companies may not have the weakest balance sheets, but they are not particularly strong, so taking caution is sensible for them e.g. ITV, Sainsbury's, Western Digital

3. **Regulatory pressure** – Some financial regulators have told banks and insurers not to pay dividends
    - The Bank of England requested major UK banks to cancel dividends for 2020 and those still to be paid from fiscal year 2019 e.g. HSBC, Standard Chartered, Lloyds, Barclays, RBS

    - The European Central Bank asked banks not to pay dividends until at least October 2020 e.g. UniCredit, ABN-AMRO, ING

    - In the US, for recipients of the CARE package, dividend payments (and buybacks) are restricted for at least one year. Some US banks have not cancelled 2019 dividends still to be paid, but have cancelled share buybacks e.g. Bank of America, Citi

4. **Government pressure** – Part nationally-owned companies have been told not to pay dividends
    - The French government has put pressure on companies they part own to cut dividends by 30% and asked other French companies to show "solidarity" by also cutting by the same amount e.g. Thales, Orange, ST Microelectronics



Source: S&P Capital IQ. January 1st – April 30th, 2020.
Only includes companies over $1bn market cap as of April 30th, 2020.

At index level, dividend cuts and cancellations have been most pronounced in Europe and in the UK, however part of this is explained by **timing** (companies in Europe tend to pay their dividend in one payment in the second quarter, whereas in the US they are paid quarterly) and **sector concentration** (e.g. compared to the MSCI World Index weights, the UK has greater exposure to Energy, Financials and Materials and lower exposure to IT). Bank dividends make up a significant proportion of European dividends and regulators have prevented them from paying.

US companies have broadly been less affected as they have lower payout ratios and can cut share buybacks first before dividends. Nonetheless, and despite the buffer, 142 companies have reduced their per-share dividend payout to shareholders in 2020, on pace for the worst year since 2009 when there were 316 such cuts.

In the short term, investors have not punished companies for suspending their dividends – a sign that investors are ignoring the usual dour implications of such cuts at a time when companies across industries need to conserve cash. However, looking longer term, a dividend cut could well be indicative of a structural issue in a company's business model. Moreover, current dividends are likely financed by 2019 profits, and we may well see more instances of cuts and cancellations in 2021, reflecting the lower profitability from this year.

Further, the recent stock-market rout and record low bond yields have made dividends an even more crucial source of income for investors. The collapse in prices has translated into a surge in yields: the S&P 500's dividend yield has risen to 2.06% from 1.73% at the start of the year. It climbed as high as 2.56% on March 23rd when stocks hit their recent lows, marking the highest level since August 2009. In comparison, the yield on the benchmark 10-year U.S. Treasury note is 0.61%. The spread between the two yields on March 23rd was the widest on record in data going back to 1999.

Dividends versus fixed alternatives look more attractive, though this is on the premise that dividend-paying stocks can continue to provide the adequate income they advertise. Using examples of the companies we own in the Fund, we believe that dividends are likely to be maintained for firms exhibiting:

- Robust demand (e.g. Nestle)
- Asset light business models (e.g. Microsoft)
- No near-term refinancing needs (e.g. Novo Nordisk)
- Significant family ownership (e.g. Roche)
- Strong credit ratings (e.g. Johnson & Johnson)

Dividends: Fund Review

Delving deeper, and looking at each of our individual holdings in more detail below, we summarize our findings:

- To date, **0 holdings have cut or cancelled their dividends**
- **4 holdings have paid** (or gone ex-dividend) their full dividend for the year
- We identify **24** holdings as having a **very high** probability of full dividend payment
- We identify **4** holdings as having a **good** probability of full dividend payment
- We identify **3** holdings as having **some uncertainty** regarding their dividend payment

Companies that have paid full dividend for the year (or gone ex-dividend)

Name	Sector	# dividend payments per year	Ex-date(s)	Ex-date	Dividend per share	Currency	Growth vs previous year
Nestle SA	Consumer Staples	1	Apr	27/04/2020	2.70	CHF	10.2%
Roche Holding AG	Health Care	1	Mar	19/03/2020	9.00	CHF	3.4%
ABB Ltd	Industrials	1	Apr	30/03/2020	0.80	CHF	0.0%
Schneider Electric SE	Industrials	1	May	05/05/2021	2.55	EUR	8.5%

Nestle: Maintained guidance for 2020 (>3.5% organic sales growth) in Q1 earnings call, grew dividend by 10.2%. Strong sales in pet care (but from "stocking up").

Roche: Grew dividend 3.4%, confirmed 2020 outlook and said it would continue to increase the dividend into 2021. High exposure to oncology provides stability in current environment.

ABB: Industrial with exposure to robotics and automation – both weak in quarter. But paid full dividend (flat year-on-year) and committed to buyback using proceeds of cash from power grids sale (expected in June) which will represent significant proportion of shares outstanding. New CEO assessing 17 divisions and further transformation possible to improve growth and margins.

Schneider: Paid full dividend and grew 8.5% (vs 2009 when it cut). Different business today. Short-term impacts, but very well placed in secular growth themes (industrial automation, for example). See crisis as a "massive fast forward in digitization"

GUINNESS ATKINSON FUNDS

Companies where we see a high probability of full payment

Name	Sector	# dividend payments per year	Dividend when growth is declared	Ex-date(s)	Last ex-date	Dividend per share	Currency	Growth vs previous year	% dividend in 2020 vs 2019
VF Corp	Consumer Discretionary	4	4	Mar, Jun, Sep, Dec	09/03/2020	0.48	USD	11.6%	27.1%
British American Tobacco PLC	Consumer Staples	4	1	Mar, Jun, Oct, Dec	26/03/2020	52.60	GBp	3.6%	25.9%
PepsiCo Inc	Consumer Staples	4	2	Mar, Jun, Sep, Dec	05/03/2020	0.96	USD	3.0%	25.2%
Procter & Gamble Co/The	Consumer Staples	4	2	Jan, Apr, Jul, Oct	04/23/2020	0.79	USD	6.0%	25.2%
Reckitt Benckiser Group PLC	Consumer Staples	2	1	Apr, Aug	16/04/2020	101.60	GBp	1.4%	58.7%
Unilever PLC	Consumer Staples	4	2	Feb, May, Aug, Nov	20/02/2020	34.72	GBp	3.3%	24.5%
Aflac Inc	Financials	4	1	Feb, May, Aug, Nov	18/02/2020	0.28	USD	3.7%	25.9%
Arthur J Gallagher & Co	Financials	4	1	Mar, May, Sep, Dec	05/03/2020	0.45	USD	4.7%	26.2%
BlackRock Inc	Financials	4	1	Mar, Jun, Sep, Dec	04/03/2020	3.63	USD	10.0%	27.5%
CME Group Inc	Financials	4	1	Mar, Jun, Oct, Dec	09/03/2020	0.85	USD	13.3%	28.3%
AbbVie Inc	Health Care	4	1	Jan, Apr, Jul, Oct	14/04/2020	1.18	USD	10.3%	55.1%
Johnson & Johnson	Health Care	4	2	Feb, May, Aug, Nov	24/02/2020	0.95	USD	5.6%	25.3%
Medtronic PLC	Health Care	4	2	Mar, Jul, Sept, Dec	26/03/2020	0.54	USD	8.0%	25.5%
Novo Nordisk A/S	Health Care	2	1	Mar, Aug	27/03/2020	5.35	DKK	3.9%	65.6%
Sonic Healthcare Ltd	Health Care	2	2	Mar, Sep	10/03/2020	0.34	AUD	3.0%	40.5%
Raytheon Technologies Corp	Industrials	4	tbd	Feb, May, Aug, Nov	13/02/2020	0.74	USD	0.0%	25.0%
Otis Worldwide Corp	Industrials	4	tbd	tbd	tbd	tbd	USD	tbd	na
Broadcom Inc	Information Technology	4	4	Mar, Jun, Sep, Dec	20/03/2020	3.25	USD	22.6%	29.0%
Cisco Systems Inc	Information Technology	4	2	Jan, Apr, Jul, Oct	02/04/2020	0.36	USD	2.9%	50.7%
Microsoft Corp	Information Technology	4	4	Feb, May, Aug, Nov	19/02/2020	0.51	USD	10.9%	27.0%
Paychex Inc	Information Technology	4	2	Jan, May, Jul, Oct	31/01/2020	0.62	USD	10.7%	25.6%
Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	4	1	Mar, Jun, Sep, Dec	19/03/2020	2.50	TWD	na	25.0%
ANTA Sports Products Ltd	Consumer Discretionary	2	1	Apr, Aug/Sep	14/05/2020	0.36	HKD	28.6%	0.0%
Deutsche Boerse AG	Financials	1	1	May	20/05/2020	2.90	EUR	7.4%	0.0%

VF: Consumer discretionary (Vans, North Face) with sales hit from shutdowns. Cancelled buybacks but committed to pay dividend. Strong balance sheet, 30% revenues online, no debt refinancing until 2023, low fixed and high variable costs. 10% founder/family shareholding.

Anta Sports: Declared final dividend in late March representing a 29% increase year-on-year and an approximately 30% payout. 2020 Interim dividend to be declared in late August. April earnings update showed good recovery in revenues (up to 70%) and strong online sales.

British American Tobacco: Seen limited impact to date on consumer demand for cigarettes. Maintained guidance "and are confident of another year of high single figure constant currency adjusted diluted EPS growth". Grew dividend by 3.6%.

PepsiCo, Procter & Gamble, Reckitt Benckiser, Unilever: Generally strong results across the consumer staples with well covered dividends. Pepsi declared 7.0% increase In dividend on May 5th; P&G grew dividend 6.0% in April, Reckitt grew dividend 1.4% in April and reported record sales in late April sales update; Unilever held dividend flat (with 2% boost from FX) for May dividend declared in late April on back of EM sales declines reported at earnings.

Aflac: Potential increase in COVID-19 related claims, and slowdown in sales due to prevention of face-to-face meetings short-term headwinds, along with lower interest rates. But very well capitalized even in very conservative scenario. Q1 results April 30th management committed to "defending and extending our 37-year track record of annual dividend increases" and dividend grew 3.7%

Arthur J Gallagher: Management were relatively optimistic on property and casualty rates and organic growth and highlighted significant cost savings they could enact in the short term to protect margins if necessary. Grew dividend 4.7%

BlackRock: The size and diversity of the company led to results much better than average peers. As previously announced in late-January, dividend increased by 10% and management have "…no plans to reduce our dividend during the remainder of the year". Buybacks of $400m in Q1 and guided to further $300m in each quarter for rest of the year.

CME Group, Deutsche Boerse: Exchange groups benefited from increased volatility. CME and Deutsche Boerse reported strong results in April on increased volumes. CME grew first quarterly dividend by 13.3% in early April. Deutsche Boerse's single, full year dividend confirmed at 28th April AGM, representing a growth of 7.4%.

AbbVie, Johnson & Johnson, Medtronic, Novo Nordisk, Sonic Healthcare: Generally positive results for healthcare companies through the crisis. Abbvie grew dividend 10.3%; Johnson & Johnson declared dividend growth of 6.3% for May dividend; Medtronic results May 21st when dividend growth declared; Novo Nordisk final dividend went ex- March 27th and grew 3.9%; Sonic Healthcare final dividend went ex- in early March (growth announced in July interim dividend), the pathology testing business has gained from COVID-19 testing but standard testing has fallen near term.

Raytheon Technologies: Industrial company with exposure to aerospace and defense. Created through merger of United Technologies and Raytheon in late April (we previously held United Technologies in the portfolio). Defense business of Raytheon set to offset the commercial aerospace business of United Tech. Included as part of Dividend Aristocrats has grown dividend >25yrs and strong balance sheet post-merger. Declared May 15th dividend will represent an approximately 10% increase (an adjusted basis vs United Technologies historic dividend)

Otis Worldwide: Lift and elevator business spun out from United Technologies in April. Included in Dividend Aristocrats. High recurring service revenue (accounting for 80% of operating profit). Management guided dividend equating to a yield of approximately 2.5%

Broadcom: Continued to regular dividend at level declared in September 2019 (which represented a 22.6% increase year-on-year), next growth in dividend announced in September 2020. Debt levels remain high (but not extreme) but company has high margins due to business model and has been grown by acquisition. On earnings call management stated "…we are quite comfortable with the current dividend and our ability to generate excess cash beyond the dividend throughout the fiscal year. As a result, our capital allocation plan for the year remains unchanged". Will also pay down $4bn of debt in 2020.

Cisco: Grew dividend by 3.7% but noted some slow down due to COVID-19, which was thought to be temporary. Continuing move towards software subscription model.

Microsoft: Very strong quarter on back of cloud growth with no material impact from COVID-19 seen across the business. Maintained dividend with growth declared in November dividend

Paychex: Declared May dividend flat year-on-year (vs growth of 10.7% last year). In-line with company through 2009/2010. On earnings call management stated "We have $900 million in cash. We have an undrawn revolver. We have the highest cash generation of our peer group. We have the highest dividend and we have confidence that we will weather the storm for both our clients, our employees and our shareholders."

Taiwan Semiconductor: Has moved to quarterly dividend payments (so year-on-year comparisons not valid). Q1 earnings saw strong revenue growth of 30% - suggesting resilient demand for advanced semiconductors despite downturn. Increased capex for 2020. And committed that dividend would be maintained at a level of at least current dividend.

Companies where we see a good probability of full payment

Name	Sector	# dividend payments per year	Dividend when growth is declared	Ex-date(s)	Last ex-date	Dividend per share	Currency	Growth vs previous year	% dividend in 2020 vs 2019
Henkel AG & Co KGaA	Consumer Staples	1	1	Apr	23/07/2020	1.85	EUR	0.0%	0.0%
Imperial Brands PLC	Consumer Staples	4	2	Feb, May, Aug, Nov	20/02/2020	72.01	GBp	10.0%	36.0%
Eaton Corp PLC	Industrials	4	1	Mar, May, Aug, Oct	12/03/2020	0.73	USD	2.8%	25.7%
Illinois Tool Works Inc	Industrials	4	3	Mar, Jun, Sep, Dec	30/03/2020	1.07	USD	7.0%	25.8%

Henkel: Proposed dividend of 1.85euro/share on 5th March, but postponed April 20th AGM due to COVID-19. Subsequently withdrew guidance for 2020 on April 7th. New AGM date announced for June 17th with 1.85 euro dividend still proposed. Henkel family have 33% share ownership.

Imperial Brands: Final dividend (related to 2019 profits) went ex- in February. First Interim dividend for 2020 (which is when company has historically declared the growth in the dividend) declared at semiannual results on May 19th. Company has moved away from continuously growing the dividend at 10% per annum but have committed to maintaining a progressive dividend policy. Sale of cigar business raised £1bn and will be used to reduce debt (to <3X net debt/EBITDA). Update in late March company stated "…there has been no material impact on Group performance to date and current trading remains in-line with expectations."

Eaton: Multi-industrial conglomerate with exposure to aerospace and automotive industries. Grew first dividend payment for the year by 2.8% but pays quarterly. Q1 results taken positively (but withdrew guidance) and asset disposals confirmed to be continuing, raising cash and strengthening already good balance sheet. Share buybacks in Q1 and management-maintained optionality to continue in 2020 (and even M&A)

Illinois Tool Works: Industrial with exposure to automotive, but well diversified across industries and products. Q1 results better than expected but full year guidance withdrawn and Q2 revenues guided down. Higher than average margins vs peers give some stability. 95% of manufacturing capacity currently operational. Good liquidity and can stop buybacks – but management looking at strategic opportunities in light of current valuations. Pay quarterly dividend (growth announced in September).

Companies with some uncertainty regarding their 2020 dividend payment

Name	Sector	# dividend payments per year	Ex-date(s)	Last ex-date	Dividend per share	Currency	Growth vs previous year	% dividend in 2020 vs 2019
Diageo PLC	Consumer Staples	2	Feb, Aug	27/02/2020	27.41	GBp	5.0%	40.0%

Name	Sector	# dividend payments per year	Ex-date(s)	Next ex-date	Dividend per share	Currency	Growth vs previous year	% dividend in 2020 vs 2019
Danone SA	Consumer Staples	1	May	23/06/2020	2.10	EUR	8.2%	0.0%
BAE Systems PLC	Industrials	2	Apr, Oct	17/09/2020	13.80	GBp	4.5%	0.0%

Diageo: Interim dividend announced at semi-annual results went ex- in late February (representing a 5.0% growth year-on-year). On April 9th, the company withdrew guidance and cancelled buyback. It has not committed to Final dividend. The company has stated that in China it is beginning to see a very slow return of on-trade consumption, while most bars are shut in US and Europe. Some peers cutting dividends.

Danone: April 28th AGM postponed (will be held before end June but no confirmation of date yet) – thus dividend also postponed. Company proposed a dividend of 2.10 euro/share in late Feb (representing growth of 8% year-on-year). On recent call, management ducked direct question on dividend. Pressure from French state to “show solidarity” and cut dividend by 30%. Danone has the ability to pay the initial proposed dividend

(Q1 2020 results sales grew 3.7%), and not all large French companies have succumbed to government pressure, but risk is political pressure leads to a reduced dividend payment for 2020.

BAE systems: Deferred decision on the proposed 13.8p/share Final dividend (which normally goes ex- in mid April) to July half year results. No discussion of October interim dividend. Trading update on April 3rd stated "We recognize the importance of the dividend payment to our shareholders and while it remains our intention to pay a dividend, the timing of any payment will be contingent on prevailing macro-economic and social conditions over the coming months." Defense companies well placed in current environment with long term contracts and resilient demand, but social and political pressure coming to bear on the decision.

In summary:

- **There have been no dividend suspensions or dividend cuts announced for portfolio companies to date.**

- Many companies held in the portfolio have *grown* their dividend this year

- We calculate that approximately 50% of 2019 fund dividend payment has been received (or gone ex-dividend) to date.

- We identify there is some uncertainty for dividend payments this year for a small number of portfolio holdings, but generally we see a positive outlook for the companies in the portfolio regarding their ability and willingness to pay dividends this year.

- Our current expectation is that the 2020 fund distribution will be similar to 2019 – but we note there are some moving parts to this analysis (FX rates or portfolio changes, for example), and we are therefore carefully monitoring the income received for the portfolio and will update our view as the year progresses.

Although there may well be more dividend cuts still to come in the next year, and maybe the economic recovery might take longer this time round (or indeed it might be quicker), over the longer term we continue to believe that the Fund's focus on quality – i.e. companies with strong balance sheets, which have consistently generated high return on capital – positions it well to weather various economic conditions.

We thank you for your continued support

Performance

In April, the Guinness Atkinson Dividend Builder Fund produced a total return of 8.94% (TR in USD), compared to the MSCI World Net TR Index return of 10.92%. The Fund therefore underperformed the Index by 1.99%.

as of 04/30/20	YTD	1 YR	3 YR Annualized	5 YR Annualized	Since inception Annualized (3/30/12)
Dividend Builder Fund	-11.27%	-2.78%	6.57%	5.16%	8.44%
MSCI World Net NR Index	-12.43%	-4.00%	4.97%	4.92%	7.81%

as of 03/31/20	YTD	1 YR	3 YR Annualized	5 YR Annualized	Since inception Annualized (3/30/12)
Dividend Builder Fund	-18.55%	-7.77%	4.25%	4.30%	7.38%
MSCI World Net NR Index	-21.05%	-10.39%	1.92%	3.25%	6.51%

All returns over 1 year annualized. Source: Bloomberg, Guinness Atkinson Asset Management
Expense Ratio: 0.68% (net); 1.98% (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/dividend-builder-fund/#fund_performance or call (800) 915-6566. Total returns reflect a fee waiver in effect and in the absence of this waiver, the total returns would be lower.

The Advisor has contractually agreed to reimburse 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 0.68% through June 30, 2021. To the extent that the Advisor absorbs expenses to satisfy this cap, it may recoup a portion or all of such amounts absorbed at any time within three fiscal years after the fiscal year in which such amounts were absorbed, subject to the expense cap in place at the time recoupment is sought, which cannot exceed the expense cap at the time of the waiver. The expense limitation agreement may be terminated by the Board of the Fund at any time without penalty upon 60 days' notice.

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

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-915-6566 or visiting gafunds.com. Read it carefully before investing.

Mutual fund investing involves risk and loss of principal is possible. The Fund's strategy of investing in dividend-paying stocks involves the risk that such stocks may fall out of favor with investors and could reduce or eliminate the payment of dividends in the future or the anticipated acceleration of dividends could not occur. The Fund invests in foreign securities which will involve greater volatility and political, economic and currency risks and differences in accounting methods. This risk is greater in emerging markets. The Fund invests in small- or mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. When inflation rate is greater than expected, that markets may respond differently to changes in the inflation rate than the Advisor expects, or inflation may manifest in such a way that the Fund is unable to provide reasonable protection against inflation.

Top Fund Holdings as of 4/30/2020:

1	Nestle SA	3.78%
2	Reckitt Benckiser Group PLC	3.25%
3	Novo Nordisk A/S	3.19%

4	Johnson & Johnson	3.17%
5	Roche Holding AG	3.14%
6	Microsoft Corp	3.14%
7	ANTA Sports Products Ltd	3.01%
8	Cisco Systems Inc	3.01%
9	Otis Worldwide Corp	3.00%
10	BlackRock Inc	2.96%

Current and future fund holdings and sector allocations are subject to change and risk and are not recommendations to buy or sell any security.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Dividend yield is calculated by annualizing the last quarterly dividend paid and dividing it by the current share price.

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

Active share measures the extent of active management in a portfolio compared to the corresponding benchmark listed.

A cash flow return on investment (CFROI) is a valuation metric that acts as a proxy for a company's economic return.

One cannot invest directly in an index.

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