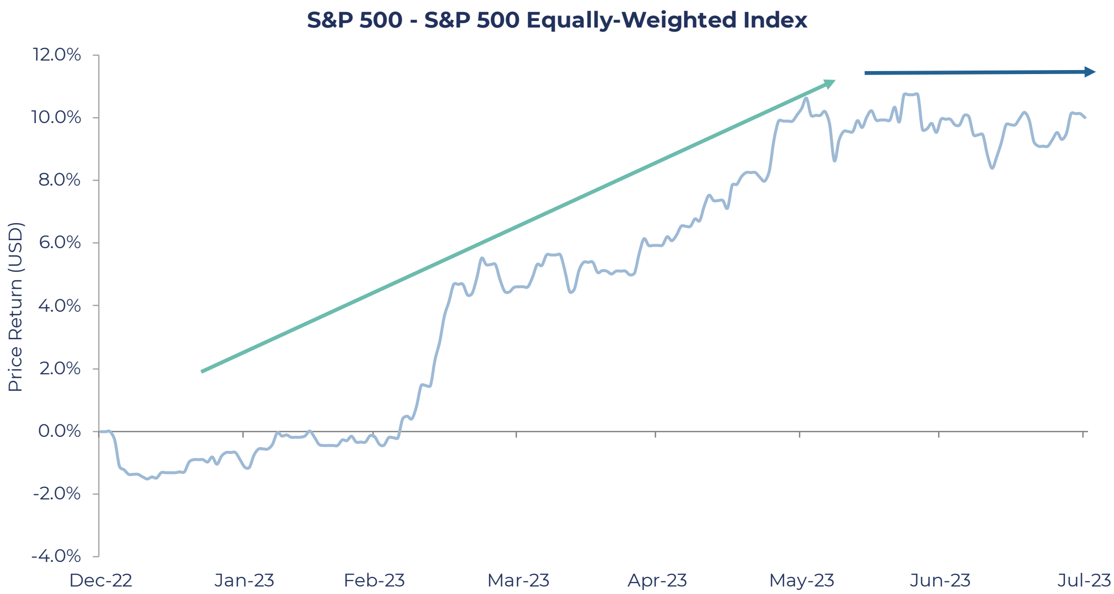
Guinness Atkinson
Global Innovators Fund
Managers Update – August 2023

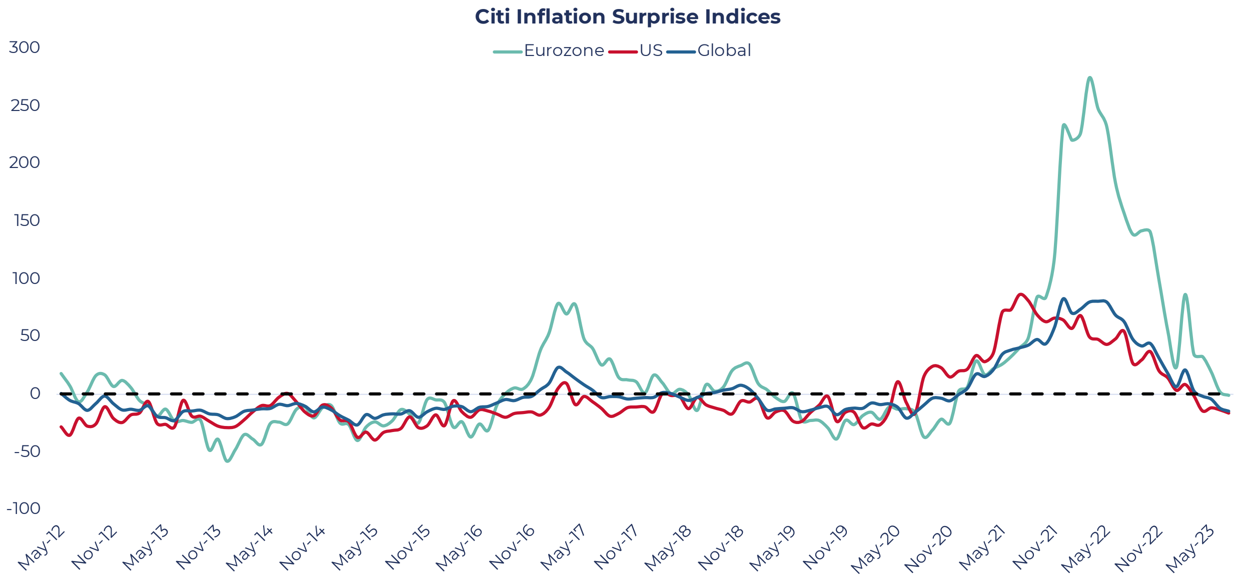
July in review:

Market sentiment remained positive in July with broad-based gains across factors and sectors as investors priced in a higher probability of a 'soft landing'. While the first two quarters of the year saw a handful of large businesses drive the overall market gains, positive sentiment in July resulted in positive gains across the broader market. Over the month, the equally weighted and market-capitalized MSCI World indices performed in-line with one another, having seen the equally weighted index underperform by 9.9% in the first 2 quarters of the year.



Source: Bloomberg. Data as 07/31/2023

Driving the positive sentiment was a mix of inflationary data coming in below market expectations and positive economic numbers continuing to point to a robust economy in the US and Eurozone despite continued rate rises. This has been reflected in the Citigroup Inflation surprise indices which have steered into negative territory indicating inflation falling faster than the market had been expecting over the past 2 months.

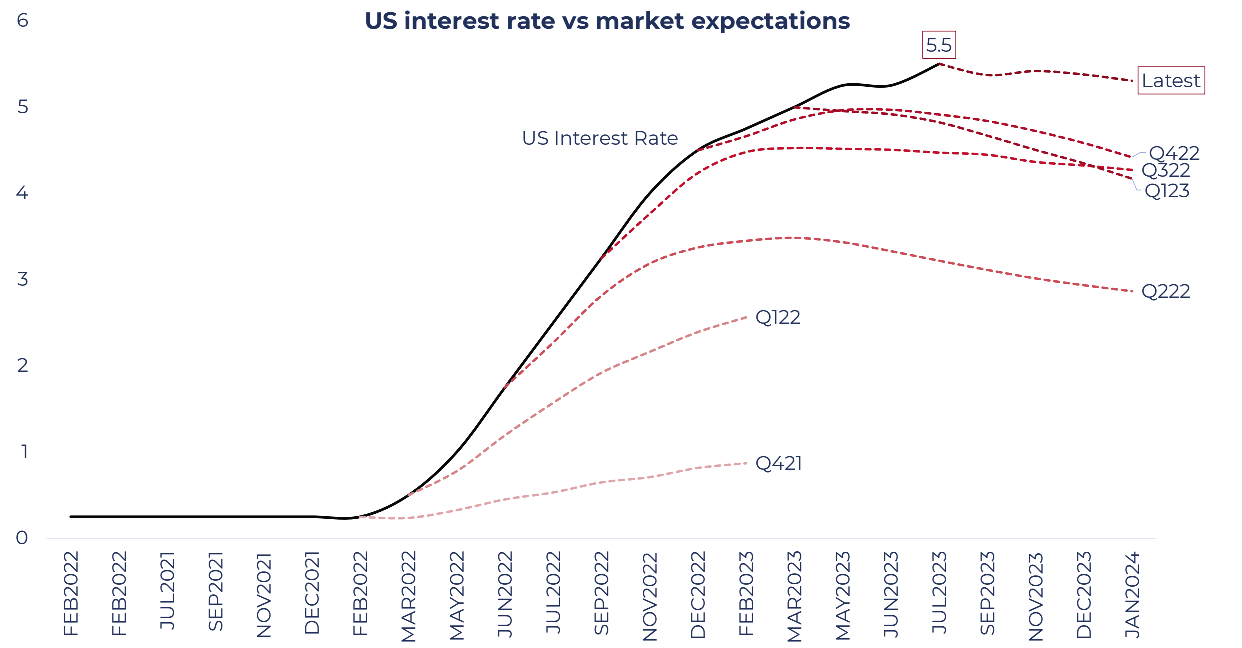


Source: Bloomberg, Citigroup. Data as of 07/31/2023

This led to increased confidence central banks could successfully navigate a 'soft landing'. Indeed, over the month, both the US Fed and European Central Bank (ECB) raised their respective rates by 25bps (basis points). In the US, following a brief pause in rate hikes at last month's Federal Open Market Committee (FOMC) meeting, the US Fed raised rates by a further 25bps, which now sits at 5.5%.

The June Consumer Price Index (CPI) print released during the month was a source of positivity with headline inflation falling more than expected to 3% (from 4% previously and market expectations of 3.1%), while the stickier core inflation measure (stripping out food and goods) also fell more than expected to 4.8% (versus 5.0% expected). This coupled with the preliminary Q2 GDP (gross domestic product) print of 2.4%, raised hopes of a soft landing.

Despite Jerome Powell reiterating the phrase "additional policy firming may be appropriate", markets now expect the latest rate hike to be the last in this cycle and for the Fed to potentially cut the rate by ~25bps by the end of the year – although this may be overly optimistic.



Source: Bloomberg. Data as 07/31/2023

A similar story played out in Europe with headline inflation slowing to 5.3% in July, and GDP growth at 0.3% in the second quarter vs the previous quarter despite the ECB's significant rate rises. Adding to this, the unemployment print for July came in at 6.4% - an all-time low in the Eurozone – while the central reporting agency also revised down the rates for the previous two months from 6.5% to 6.4%.

While the robustness of these economies despite decade-high interest rates and inflation should be taken positively, it is worth noting that these are only one set of data points and the potential for market sentiment to shift into the year-end remains elevated, as central banks almost unanimously stated that future policy outcomes would be data dependent and they did not see a need to cut rates in the near term, and that previous rate increases can act on the wider economy with a lag.

Individual stock performances:

Anta Sports (+14.6%, USD over the month):

Following a relatively weak Q2, Anta Sports began Q3 as the Fund's top performer. In 4Q22, investors piled into the stock off the back of the Chinese reopening. However, the reopening trade has thus far failed to meet expectations with Chinese GDP only growing 0.8% in Q2 vs Q1 (below estimates) and manufacturing activity continuing to contract for the 4th straight month. However, the gains in the region (MSCI China Index up 10.9% USD over July), came on the prospect of additional government-led support for the economy including more support for the property market, easing restrictions on foreign investment, and new measures to spur growth in the private sector. From a fundamental perspective, Anta Sports released Q2 operational updates which saw the firm maintain guidance of retail growth for Anta and Fila brands in the teens and >30% growth for other brands. Inventory levels remain healthy and resultingly, the stock outperformed the strong Chinese market by 3.7% (USD).

Meta (+11.0%):

Meta continued its strong momentum with another set of strong quarterly results. Over the month, the company announced results that beat on both the top & bottom lines, issued guidance well ahead of consensus for Q3, and outlined a stronger than expected rebound in the digital advertising market. Shares were resultingly up ~7% in extended trading on the day. Indeed, for the quarter, Meta reported double-digit revenue growth for the first time since Q42021. Revenues were up 11% YoY and were driven by a surprisingly robust ad market, with usage and average-revenue-per-user both coming in stronger than expected. Reels, Meta's take on short video content, was a real positive over the quarter and continues to be a core growth driver for Meta with over 200bn views per day vs. 140bn views in 3Q 2022 and over 75% of Meta advertisers now spending ad dollars on Reels.

Microsoft (-1.4%):

Having been up 42.7% (USD) going into July, Microsoft ended the month as one of the Fund's weakest performers, down 1.4% over the period. With expectations high for the stock having reported well in April citing artificial intelligence's (AI) increasing contribution to sales, July's earnings report was interpreted less positively by investors, leading to possible profit-taking. Indeed, Microsoft reported a strong set of quarterly results that beat analysts' expectations across the board, and which saw the company continue to increase capex (capital expenditures) guidance for the next year, while also guiding AI to contribute 2% to sales in Q124 (vs 1% in Q423). Azure, Microsoft flagship cloud computing platform, also showed resiliency with the segment growing 27% year-on-year – down from the 31% growth in Q3 but a slower deceleration than investors may have been expecting. Where investors may have taken a less positive view was management's reluctance to produce guidance for FY2024, instead opting only for next quarter's guidance. While this may be prudent given the fast-evolving business and consumer landscapes, it came as a surprise to investors. In all, Microsoft's results were another reminder of the conglomerate's resiliency and ability to continue growing in a tougher economic environment.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA   Dr Ian Mortimer, CFA

Summary performance

Following a quarter in which market returns were predominantly driven by a handful of stocks, July's market gains were more broad-based. During the month, market sentiment was buoyed by the increasing prospect of a 'soft landing' with inflation data lower than markets had estimated, while economic data released over the month continued to point to robust economies in the US and Europe despite further rate rises. Subsequently, all MSCI World sector indices reported positive returns over the month (TR in USD) and MSCI World Value outperformed Growth – albeit both performing strongly (+3.8% and +2.8% respectively).

Fund performance over July can be attributed to the following:

- Strength in the market was more broad-based than previous months, and value outperformed growth by 0.9% (USD). Cyclical sectors such as Energy, Financials, and Materials (where the fund has lower weights compared to the index) led sector gains, which acted as a drag to fund performance. This was somewhat offset by the underperformance of more defensive sectors such as Health Care and Staples where the fund is also underweight.
- Information Technology underperformed the benchmark slightly which acted as a drag for the fund performance relative to benchmark.
- Positive stock selection was the main driver of the Fund's outperformance over the period. Stock selection within the Fund's IT exposure, and in particular the Fund's software and services exposure including Intuit and Adobe, was the main positive contributor.
- Stock selection from Communication Services was also a positive for the Fund. Namely Fund holdings Meta (+11.0%), Alphabet (+10.9%) and Comcast (+9.7%) all performed strongly.
- Conversely, stock selection from our Industrials exposure was a drag on Fund performance, with Schneider Electric (-1.6%) and ABB (+2.2%) both underperforming over the month.

GUINNESS ATKINSON FUNDS

as of 07.31.2023 (in USD)	1 year	3 years annualized	5 years annualized	10 years annualized
Global Innovators, Investor Class[1]	18.93%	10.37%	11.36%	12.77%
Global Innovators, Institutional Class[2]	19.25%	10.65%	11.64%	12.99%
MSCI World Index NR	13.48%	11.67%	9.11%	9.30%

as of 06.30.2023 (in USD)	1 year	3 years annualized	5 years annualized	10 years annualized
Global Innovators, Investor Class[1]	25.40%	11.22%	10.80%	12.84%
Global Innovators, Institutional Class[2]	25.69%	11.49%	11.08%	13.05%
MSCI World Index NR	18.51%	12.18%	9.06%	9.49%

All returns after 1 year annualized.

[1] Investor class (IWIRX) Inception 12.15.1998 Expense ratio* 1.24% (net); 1.27% (gross)
[2] Institutional class (GINNX) Inception 12.31.2015 Expense ratio* 0.99% (net); 1.10% (gross)

[2] 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).

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, https://www.gafunds.com/our-funds/global-innovators-fund/#fund_performance or call (800) 915-6566.

*The Advisor has contractually agreed to reimburse 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 1.24% for the Investor class and 0.99% for the Institutional class through June 30, 2026. 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 waiver. The expense limitation agreement may be terminated by the Board of the Fund at any time without penalty upon 60 days' notice.

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's focus on the technology, internet and communications sectors are extremely competitive and subject to rapid rates of change.

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 7/31/2023:

1.	NVIDIA Corp	4.45%
2.	Lam Research Corp	4.04%
3.	ABB Ltd	3.92%
4.	Microsoft Corp	3.90%
5.	KLA-Tencor Corp	3.88%
6	Amphenol Corp.	3.85%
7.	Applied Materials Inc	3.76%
8.	Mastercard Inc	3.70%
9.	Roper Technologies Inc	3.59%
10.	salesforce.com Inc	3.54%

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

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information and can be obtained by calling 800- 915-6565 or visiting www.gafunds.com. Read and consider it carefully before investing.

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.

MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

MSCI World Growth Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid-cap securities exhibiting overall growth style characteristics across developed markets.

The MSCI World Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI World Index. The index includes the same constituents as its parent. However, at each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price (high or low).

In Jan. 2003, the S&P 500 Equal Weight Index (EWI) was created. As the name implies, this is an equal-weight version of the popular S&P 500 Index. Both indexes are comprised of the same stocks. However, the equal weighting of the S&P 500 seeks to equally weigh all of the constituents in the index, as opposed to the traditional manner of weighting the S&P 500, which is by market capitalization.

The Citigroup Economic Surprise Indices are objective and quantitative measures of economic news. They are defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance [been] beating consensus. The indices are calculated daily in a rolling three-month window.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors.

One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point.

The Federal Open Market Committee (FOMC) consists of twelve members--the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis.

Standard deviation is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. If the data points are further from the mean, there is a higher deviation within the data set. A volatile stock has a high standard deviation, while the deviation of a stable blue-chip stock is usually rather low.

The Nasdaq-100 (NDX) is a large-cap growth index. It includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

The MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 717 constituents, the index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization.

Beta is a measure of a stock's volatility in relation to the overall market.

R-squared (R^2) explains to what extent the variance of one variable explains the variance of the second variable. R-squared is a statistical measure that represents the proportion of the variance for a dependent variable that's explained by an independent variable or variables in a regression model.

Duration: The duration number is a complicated calculation involving present value, yield, coupon, final maturity and call features. Fortunately for investors, this indicator is a standard data point provided in the presentation of comprehensive bond and bond mutual fund information. The bigger the duration number, provided in years, the greater the interest-rate risk or reward for bond prices. It can also be used to describe equities in a similar manner: a higher duration suggests most cash flows are expected far into the future, with a lower duration suggesting more stable cash flows over the short and long term.

Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.

Earnings per share (*EPS*) is calculated as a company's profit divided by the outstanding shares of its common stock.

Price-Earnings (P/E) ratio is a valuation ratio of a company's current share price compared to its per-share earnings. Forward earnings differ from trailing earnings, which is the figure quoted more often, as they are a projection and not a fact.

Forward price-to-earnings (forward P/E) is a version of the ratio of price-to-earnings (P/E) that use forecasted earnings for the P/E calculation. While the earnings used in this formula are just an estimate and not as reliable as current or historical earnings data, there are still benefits to estimated P/E analysis

Cash Flow is the total amount of money, in cash, being transferred into and out of a business.

The multiples approach is a valuation theory based on the idea that similar assets sell at similar prices. It assumes that the type of ratio used in comparing firms, such as operating margins or cash flows, is the same across similar firms.

Multiple expansion is when a stocks valuation multiple (for example, their Price to Earnings ratio, or EV to EBITDA ratio) increases, meaning that the stock is now more expensive than before.

Correlation is the interdependence of variable quantities. It is a statistical measure that expresses the extent to which two variables are related i.e. how much one variable changes when another variable changes. The relationship does not need to indicate causation.

The MSCI World Information Technology Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid-cap equities across 23 developed markets, all classified within the Information Technology sector.

The S&P 500 Index features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization.

Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, technology, or equipment. CapEx is often used to undertake new projects or investments by a company.

EBITDA, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income

The MSCI World Semiconductors and Semiconductor Equipment Index is composed of large and mid-cap stocks across 23 Developed Markets (DM) countries*. All securities in the index are classified in the Semiconductors and Semiconductor Equipment Industry Group (within the Information Technology sector)

The MSCI World Quality Index is based on MSCI World, its parent index, which includes large and mid cap stocks across 23 Developed Market (DM) countries. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.

The Goldman Sachs Non-Profitable Technology Index consists of non-profitable US listed companies in innovative industries. Tech is defined quite broadly to include new economy companies across Global Industry Classification Standard (GICS) industry groupings. The basket of tech stocks is optimized for liquidity with no name initially weighted greater than 4.65%

The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 625 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

Forex (FX) refers to the global electronic marketplace for trading international currencies and currency derivatives. Most of the trading is done through banks, brokers, and financial institutions.

Year-over-year (YoY) sometimes referred to as year-on-year, is a frequently used financial comparison for looking at two or more measurable events on an annualized basis

One cannot invest directly in an index.

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