



Guinness Atkinson Alternative Energy Brief

November 2006

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Alternative Energy Fund Review by Edward Guinness

The Guinness Atkinson Alternative Energy Fund was up 4.93% in October 2006. We are now hopeful that the alternative energy markets have bottomed out. This is driven by companies beginning to deliver on their business plans and an increasing understanding that \$60 oil does not change the long term fundamentals of the alternative energy story. Our performance of +4.93% demonstrated this, as crude oil (WTI Cushing) fell 6.64% from \$62.91 to \$58.73. The Wilder Hill New Energy Global Innovation Index (NEX) was up 4.83% and the Wilder Hill Clean Energy Index (ECO) was up 6.14%. The Nasdaq Clean Edge Index (CLEN) was up 4.95%.

Our top five stocks were: Green Plains Renewable Energy (+47%), Environmental Power Corp (+37%), Carmanah Technologies (+31%), Novera Energy (+26%) and Ballard Power (+24%).

Our weakest five stocks were Renova (-14%), Fuelcell Energy (-14%), Quantum Fuel Systems (-13%), SAG Solarstrom (-11%) and Ocean Power Technologies (-11%)

Our biofuels stocks benefited from a rally in ethanol prices, although we are watching carefully a recent rise in corn prices. Other than Ballard Power, the fuelcell area showed marked weakness as investors moved away from stocks that are still to generate significant revenue streams.

We continue to see quite poor liquidity in some of the smaller stocks and are actively monitoring trading opportunities that reflect volumes as well as price. We expect that the portfolio will trend towards larger cap stocks over the next 12 months.

Thank you for your continuing support.

Total Return from inception, March 31 2006 to October 31 2006

Guinness Atkinson Alternative Energy Fund	-13.12%
WilderHill Clean Energy Index (ECO)	-17.61%
WilderHill New Energy Global Innovation Index (NEX)	-0.72%
NASDAQ Clean Edge Index (CLEN)	n/a

All return figures represent average annualized returns except for periods of one year or less which are actual returns.

The NASDAQ Clean Energy Index has an inception date more recent than March 31 which explains the “n/a” in the above table.

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. Performance data current to the most recent month end may be obtained by visiting www.gafunds.com or calling 800 915-6566.

The Fund imposes a redemption fee of 2% on shares held less than 30 days. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced.

Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.

Positions as at October 31 2006

	%NAV
NORDEX AG	3.73%
IBERDROLA SA	2.84%
ENVIRONMENTAL POWER CORP	2.58%
CLIPPER WINDPOWER PLC	2.56%
REPOWER SYSTEMS AG	2.43%
SOLARTRON PCL	2.39%
WESTPORT INNOVATIONS INC	2.36%
CARMANAH TECHNOLOGIES CORP	2.30%
BALLARD POWER SYSTEMS INC	2.28%
ECHELON CORP	2.22%
BIOPETROL INDUSTRIES AG	2.20%
VERASUN ENERGY CORP	2.19%
ORMAT TECHNOLOGIES INC	2.18%
CMR FUEL CELLS PLC	2.17%
VRB POWER SYSTEMS INC	2.17%
AVENTINE RENEWABLE ENERGY	2.17%
ALKANE ENERGY PLC	2.10%
AZURE DYNAMICS CORP	2.10%
CEMIG SA -SPONS ADR	2.07%
XANTREX TECHNOLOGY INC	2.06%
CERES POWER HOLDINGS PLC	2.02%
VESTAS WIND SYSTEMS A/S	2.02%
SOLAR-FABRIK AG	2.01%
TRADING EMISSIONS PLC	1.93%
CLIMATE EXCHANGE PLC	1.91%
THEOLIA	1.89%
Q-CELLS AG	1.88%
SUNTECH POWER HOLDINGS-ADR	1.88%
BABCOCK & BROWN ENVIRONMENTAL	1.85%
CAROTECH BHD	1.81%
AUSTRALIAN ETHANOL LTD	1.81%
BORALEX INC -CL 'A'	1.80%
NOVERA ENERGY LTD	1.77%
SOLAR MILLENNIUM AG	1.77%

AGCERT INTERNATIONAL	1.64%
RAILPOWER TECHNOLOGIES CORP	1.61%
HYDROGENICS CORPORATION	1.59%
FUEL SYSTEMS SOLUTIONS INC	1.58%
S.A.G SOLARSTROM AG	1.48%
FUTUREFUEL CORP	1.47%
FUELCELL ENERGY INC	1.45%
MECHANICAL TECHNOLOGY INC	1.42%
EVERGREEN SOLAR INC	1.38%
GEODYNAMICS LTD	1.37%
OCEAN POWER TECHNOLOGIES INC	1.32%
RENOVA ENERGY PLC	1.25%
POLYFUEL INC	1.03%
QUANTUM FUEL SYSTEMS TECHNOLOGY	0.99%
GTL RESOURCES PLC	0.93%
GREEN PLAINS RENEWABLE ENERGY	0.85%
VICEROY ACQUISITION COR	0.40%

Sector breakdown

	% of assets
Biofuel	22.7%
Efficiency	2.3%
Fuelcell	13.6%
Geothermal	3.7%
Hybrid	8.0%
Hydro	7.0%
Other	7.1%
Palmoil	1.9%
Solar	18.0%
Storage	2.3%
Wind	13.3%
	100.0%

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

This information is authorized for use when preceded or accompanied by a [prospectus](#) for the Guinness Atkinson Global Energy 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 Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fund has difficulty selling small- or mid-cap or emerging market stocks during a down market due to lower liquidity and higher volatility.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

The WilderHill New Energy Global Innovation Index (NEX) is a modified dollar weighted index of publicly traded companies which are active in renewable and low-carbon energy, and which stand to benefit from responses to climate change and energy security concerns.

The NASDAQ Clean Edge U.S. Index is a modified market capitalization-weighted index designed to track the performance of companies that are primarily manufacturers, developers, distributors, or installers of clean-energy technologies, as defined by Clean Edge. The NASDAQ Clean Edge Index has an inception date of May 18, 2006.

The WilderHill Clean Energy Index (ECO) is a modified equal dollar weighted index comprised of publicly traded companies whose business's stand to benefit substantially from societal transition toward the use of cleaner energy and conservation.

One cannot invest directly in an index.

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