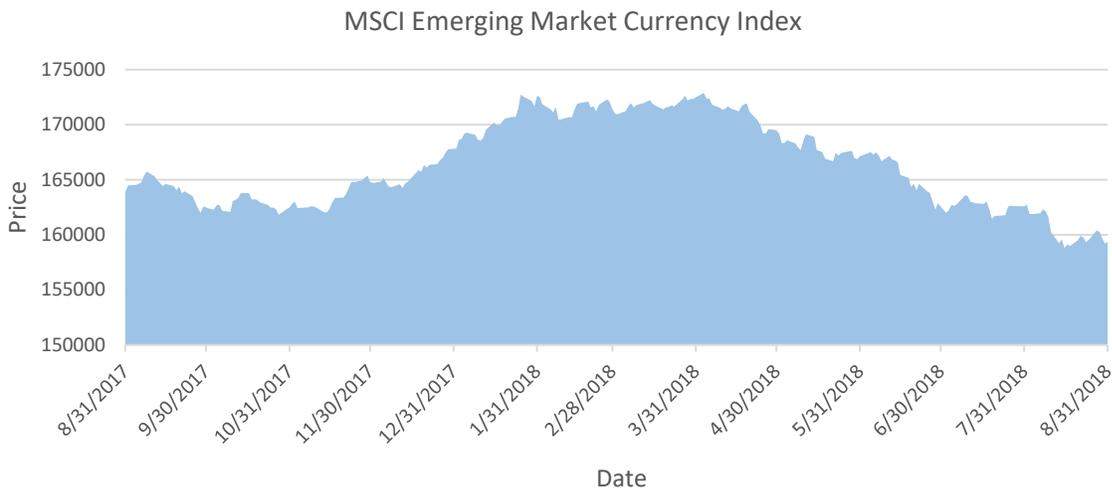


August in Review:

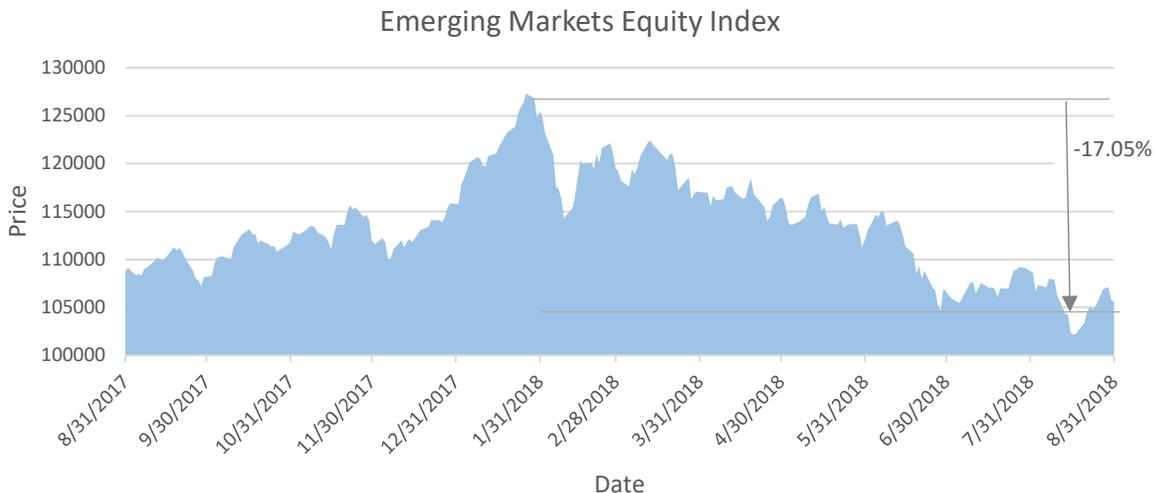
Economics

In emerging markets, we have seen the continued decline in currency valuation led by the Argentinian Peso, Turkish Lira and more recently the South African Rand. This, when coupled with a strengthening USD, has led to the MSCI EM Currency Index, a GDP weighted basket of EM currencies, showing continued weakness for the year, as seen below.



Source: Bloomberg

Moreover, we have seen investor uncertainty emanating from final tariff discussions between the US and China. This has led to capital outflows from EM regions, leaving the EM Equity benchmark (see following chart) close to an official 'bear market' correction from the peaks seen mid-January.



Source: Bloomberg

Focusing in on country-specific data, the Argentinian Peso and Turkish Lira remain under pressure, having lost around 50% and 40% respectively against that US dollar YTD. Argentina's central bank has opted to raise interest rates substantially to around 60% alongside a loan from the IMF for \$50bn, the largest the IMF has granted, to try and shore up the Peso. However, it seems to have done little for investor confidence with President Macri now asking the IMF to speed up the distribution.

In contrast, the decline in the Turkish Lira, triggered by US sanctions for the imprisonment of an American pastor, has been met with a differing mentality. Erdogan, the president of Turkey, has refused to bow to Trump's demands quoting "Those who assume they can bring us to our knees through economic manipulations don't know our nation at all". Erdogan has refused to raise interest rate rises, even after the Lira lost 25% in July, arguing they cause rather than curb inflation. However, recent economic data suggesting inflation around 18% (versus a target 5%), prompted Erdogan to indicate an adjustment in monetary policy may be forthcoming.

While the portfolio holds no companies domiciled within Argentina, Turkey or South Africa, it is overweight the EM regions compared to the benchmark. However, our exposure to EM is confined to companies whom we believe to have solid balance sheets and a competitive advantage. As a result, the portfolio's EM exposure outperformed that of the benchmark for the month, producing total returns of -2.14% (in USD) against -5.53% (in USD) for the MSCI World.

Portfolio Update

Individual companies that performed well over the month included Nvidia (14.63% in USD) and Cisco (12.96% in USD).

Nvidia's shares fell 5% mid-August after management guidance for 3Q was weaker than market expectations, with management citing a slowdown in crypto mining demand. However, Nvidia still posted strong earnings overall which showed data centre revenues up 83% Year-on-Year (YoY) and gaming revenue increasing 52% YoY. By month end, the share price was up 14.63% (in USD) with next generation Graphics Processing Units (GPUs) being revealed which are expected to solidify Nvidia's leadership in the gaming industry and provide further growth in AI technologies. With no competitors expected to release new GPUs this year, Nvidia has tested their pricing power by selling the new products at higher premiums.

Cisco, which continues to be a strong contributor to the fund's performance YTD, posted 4Q results beating analyst estimates with revenue up 5.9% YoY. This was taken as further evidence that their new strategic transformation is working, moving from a focus on traditional hardware to software products. Building on this strategy, Cisco announced they intended to acquire Duo, a company

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providing identification and authentication solutions via the cloud, better allowing customers to securely connect to networks.

Individual companies that underperformed over August were AAC technologies (-13.00% in USD) and Continental (-20.29% in USD).

AAC had earnings and price targets cut by analysts after posting results that missed forecasts, with net income down 38.7%. This was the first decline in profits for almost 4 years and resulted in a share price drop of almost 11%. This was led by a slowdown in smartphone demand, particularly from Apple which makes up around 56% of AAC's total revenue. We still view AAC as a quality company in an innovative industry and note several new products on the horizon. The new iPhone release in the coming months could also prove to be a boost in 2H earnings.

Continental posted a profit warning two weeks after releasing their earnings, signalling that they expect lower sales and increases in costs and warranty claims, contracting their margins. This is an indication of softer automotive markets and consumers changing preferences to such vehicles as sedans and SUVs. Having said that, Continental continues to be a quality company and we remain positive in our belief that their automotive segment can benefit from the changing automotive landscape to the electric car and autonomous vehicle. As of the 31st August, the company traded on 10.8x 2018 expected earnings and 9.7x 2019 expected earnings – a significant discount to trailing historic multiples.

Thank you for your continued support.

Portfolio Managers

Dr Ian Mortimer, CFA
Matthew Page, CFA

Analysts

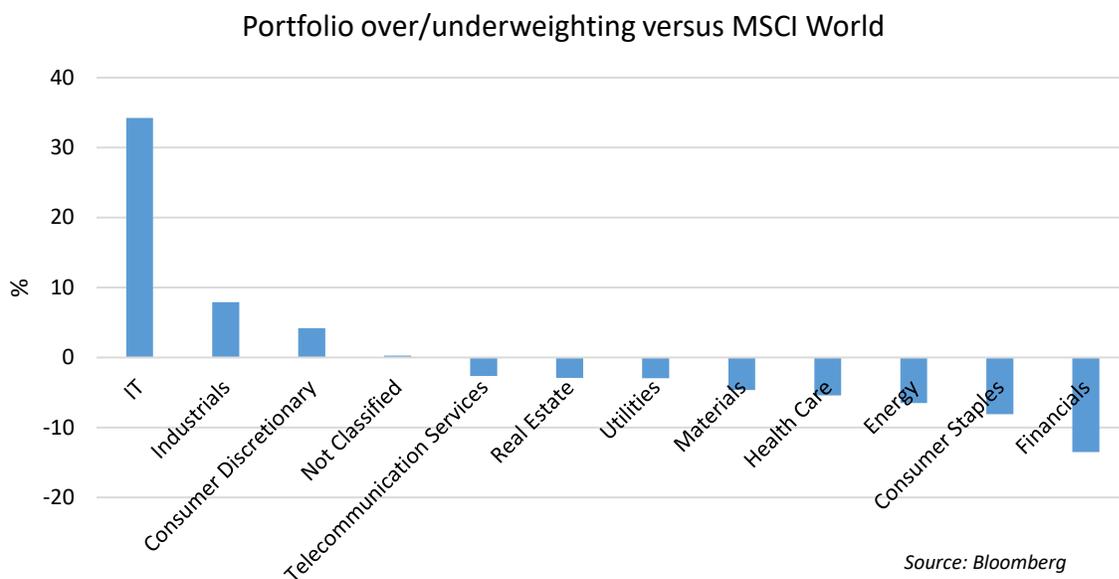
Sagar Thanki
Joseph Stephens

Performance

In August, the Guinness Atkinson Global Innovators Fund provided a total return of 0.04% (in USD) against the MSCI World Index of 1.24% (in USD). As a result, the fund underperformed the benchmark by 1.2%. Year-to-date, the fund has produced a total return of 2.67% (in USD) against 4.85% (in USD) for the benchmark.

The IT sector, which was a relative underperformer in July, once again topped the sector performance table with a total return of 6.38% (in USD) for the month. Our overweighting of 34% consequently provided a positive contribution to the portfolio’s performance for August. However, stock selection was a drag on our portfolio relative to the benchmark due to companies that we do not own performing strongly. For example, Apple, which is the largest constituent of the MSCI World, was up 20% (in USD) for the month and accounted for 0.5% of the performance difference against the benchmark for the month.

The fund’s underweight positions in financials, materials and energy – the three worst performing sectors for the month – was a positive from a sector attribution point of view.



Geographically, the US, the portfolio’s largest regional exposure (~60% of total portfolio), outperformed alternative regions with the MSCI US returning 3.31% (in USD). In contrast our exposure to EM contributed negatively with the MSCI EM producing a total return of -2.68%.

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as of 08.31.2018 (in USD)	YTD	1 year	3 years annualized	5 years annualized	10 years annualized	Since inception annualized
Global Innovators, Investor Class ¹	2.67%	12.94%	17.01%	14.53%	11.78%	8.09%
Global Innovators, Institutional Class ²	2.84%	13.24%	17.27%	14.68%	11.86%	8.13%
MSCI World Index	5.26%	13.73%	12.57%	10.87%	7.78%	6.07%

as of 06.30.2018 (in USD)	YTD	1 year	3 years annualized	5 years annualized	10 years annualized	Since inception annualized
Global Innovators, Investor Class ¹	0.24%	15.84%	12.86%	14.91%	11.34%	8.03%
Global Innovators, Institutional Class ²	0.35%	16.13%	13.10%	15.06%	11.41%	8.07%
MSCI World Index	0.74%	11.71%	9.12%	10.59%	6.90%	5.89%

Source: Bloomberg

¹Investor class (IWIRX) Inception 12.15.1998 Expense ratio* 1.24% (net); 1.33% (gross)

²Institutional class (GINNX) Inception 12.31.2015 Expense ratio* 0.99% (net); 1.17% (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 or call (800) 915-6566.

²Performance 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).

*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, 2019. 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.

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

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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 8/31/18:

1. Cognizant Technology Solutions Corp - A Shares	3.68%
2. Catcher Technology Co Ltd	3.65%
3. Check Point Software Technologies Ltd	3.64%
4. Danaher Corp	3.59%
5. The Boeing Co	3.57%
6. Facebook Inc	3.49%
7. KLA-Tencor Corp	3.46%
8. PayPal Holdings Inc	3.42%
9. NVIDIA Corp	3.42%
10. ANTA Sports Products Ltd	3.39%

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

This information is authorized for use when preceded or accompanied by a prospectus for the Guinness Atkinson Global Innovators Fund. You can [find a current prospectus here](#). You can also visit www.gafunds.com/wp-content/uploads/2012/06/prospectus.pdf. 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.

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 Emerging Market Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets.

MSCI Emerging Market Currency Index is a country weighted index designed to measure the performance of emerging market currencies relative to the US Dollar.

One cannot invest directly in an index.

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