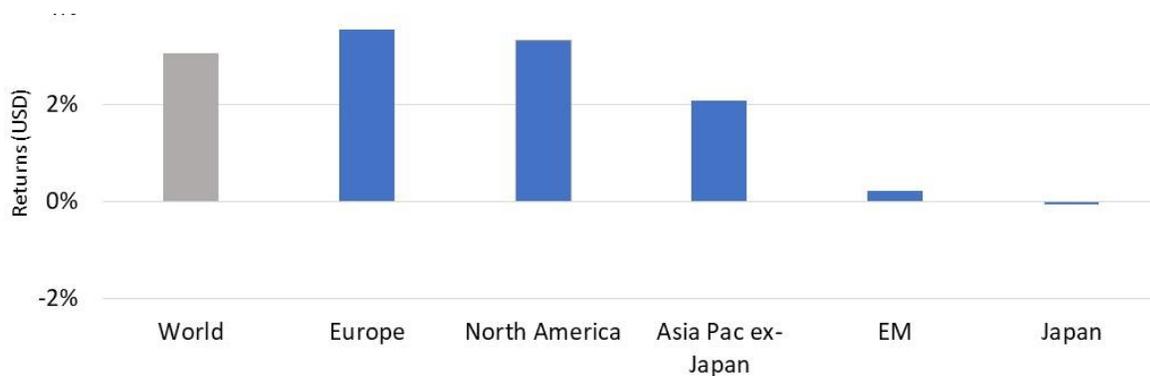


**February in review:**

The biggest story over the month was the continued surge in Chinese equities, with the CSI 300 index up 27% (in USD) from its trough in early January. With the March 1<sup>st</sup> deadline looming – the date in which Trump had set to increase tariffs on Chinese goods and services from 10% to 25% - President Trump tweeted that the US would be postponing the hike in tariffs with no new deadline set. The news comes as trade talks between the two countries continue to advance, with the fund’s overweight Chinese exposure reaping the benefits – in particular, names such as Anta Sports (up 22% YTD in USD) and New Oriental Education (up 50% YTD in USD).

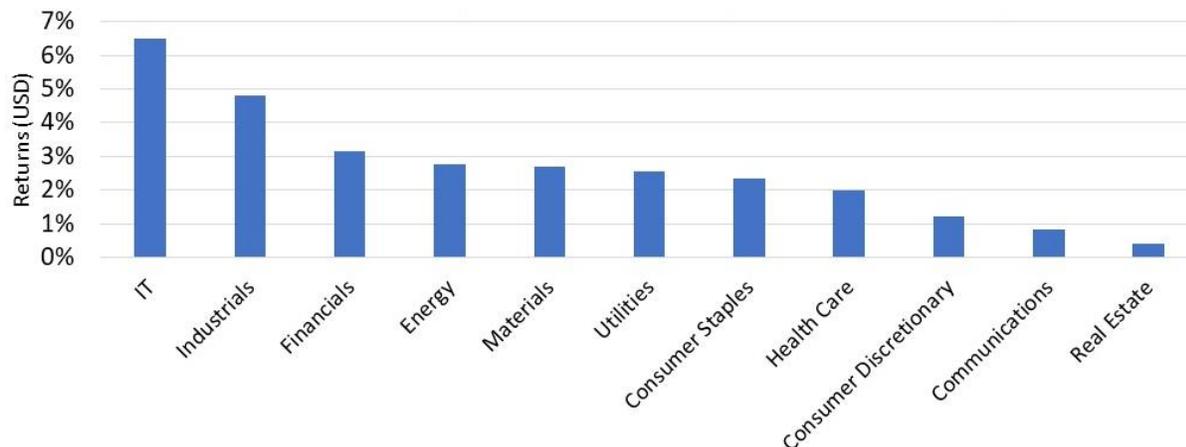
**MSCI World Regional Performance: January 31, 2019 – February 28, 2019**



*Source: Bloomberg, as of February 28, 2019*

Continuing with the softening of key issues faced by global markets in 2018, US FOMC minutes released from last month’s meeting indicated that the Fed would release a plan as soon as possible to end the process of reducing the Fed’s balance sheet. This further underlined the Fed’s more dovish tones which last month indicated a more patient approach to interest rate hikes amidst global growth concerns. Additionally, robust economic data out of the US helped reassure investors, as fourth quarter GDP data came in at 2.6%, while a sharp decline on last quarter’s 3.4%, did beat estimates of 2.3%. This helped raise full year GDP to 2.9%, up from 2.2% in 2017. The fund’s exposure to the US was the largest regional contributor to the outperformance over the month, mainly arising from idiosyncratic factors such as earnings surprises – for example, Alphabet, which beat 4<sup>th</sup> quarter EPS estimates by 18.0%.

MSCI World Sector Performance: January 31, 2019 – February 28, 2019



Source: Bloomberg, as of February 28, 2019

With earnings season in full flow, we have seen from the 4<sup>th</sup> quarter earnings reports released, that the majority of IT stocks have reported EPS data above expectations, helping the sector outperform the general market (up 6.5% in USD) – the fund’s largest sector exposure. In contrast, the fund has no exposure to Real Estate, Energy, Materials or Utilities and holds only one position within Financials – 5 sectors reporting some of the lowest percentages of positive earnings surprises for this quarter.

Of the 30 companies within the portfolio, 25 companies have reported 4<sup>th</sup> quarter results of which 88% reported positive EPS and 88% reported positive sales surprises.

Quarterly Results		
Company	Revenue Surprise (%)	Earnings Surprise (%)
NEW ORIENTAL EDUCATION	3.37%	636.84%
ABB LTD	1.52%	163.16%
FANUC CORP	3.61%	62.35%
ALPHABET	1.64%	18.00%
NIKE	2.24%	13.13%
BAIDU	3.57%	12.14%
KLA TENCOR	4.35%	10.81%
FACEBOOK	3.14%	8.53%
INFINEON	2.85%	7.46%
LAM RESEARCH	1.11%	5.62%
COGNIZANT	0.36%	5.61%
PAYPAL	-0.22%	8.41%
ROPER TECHNOLOGIES	1.88%	2.91%
COMCAST	2.49%	2.56%
NVIDIA	0.14%	2.56%
INTERCONTINENTAL EXCHANGE	0.76%	2.31%
EATON CORP	0.64%	2.03%
CHECKPOINT SOFTWARE	2.15%	1.69%
APPLIED MATERIALS	1.17%	1.39%
CISCO	0.18%	0.83%
DANAHER	1.02%	0.63%
SAP	2.84%	-2.71%
SAMSUNG ELECTRONICS	-6.78%	-12.98%
SIEMENS	-4.11%	-30.34%
SCHNEIDER ELECTRIC	0.61%	-

Source: Bloomberg, as of February 28, 2019

**Individual stock performance over January (total returns USD):**

Individual companies that performed well over the month included Danaher Corp (14.51% in USD) and Roper Technologies Inc (14.26% in USD).



Danaher, the diversified conglomerate with products focused on life sciences, diagnostics, dental and environments solutions, announced an agreement to buy General Electric's (GE) biopharmaceutical unit, GE Life Sciences – interestingly, the CEO of General Electric is the former chief executive of Danaher, which may have played a crucial role in securing the deal. The agreement, which is reportedly for

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\$21.4bn, is a continuation of Danaher’s strategic acquisition process, identifying companies with secular growth drivers, high return-on-capital and strong market position, and leveraging its Danaher playbook, DBS, to add long-term value. Both GE and Danaher stock prices rose on the news as the market seemingly approved of the deal which gives Danaher exposure to the fast-growing biopharmaceutical industry. Danaher is long-term holding of the fund, up over 300% since purchase in 2010, and has continued to show its ability to successfully acquire and integrate targeted businesses, expanding the company’s return-on-capital (ROC) and margins over time.

Roper Technologies, the diversified conglomerate which specializes in businesses that design and develop software and engineered products for niche markets, reported strong earnings results over the month. The company beat 4<sup>th</sup> quarter estimates by 2.9% while also raising full year guidance for 2019. Roper has exhibited stellar growth in its return on investment over the past 10 years which have fed through into growing margins.

Individual companies that underperformed over the month were Baidu Inc (-5.84% in USD) and AAC Technologies Holdings Inc (-3.85% in USD).



Baidu, often referred to as the Chinese version of Google, operates an internet search engine in China with the majority of its revenue coming from advertising. However, Baidu has been building out its big data and AI capabilities, integrating the technologies within its search engine while also giving the company exposure to growing applications including Apollo, its autonomous driving platform and DuerOS its conversation AI platform. The company has suffered recently from slowing internet traffic in China and increased spending, putting downward pressure on margins. However, the firm continues to deliver robust returns on investment and trades on a multiple, we believe, not reflective of the firm’s long-term growth themes.

AAC technologies, the smartphone lens and acoustics manufacturer for smartphones, was one of the fund’s top performers up until February 22<sup>nd</sup>, before management issued a profit warning for the coming quarter. Management now expect earnings to decline 65%-75% year over year in the quarter, with margin erosion also playing a factor as the company deals with lower volume from smartphone orders. We continue to monitor AAC technologies, as Apple supply chain names have been some of the hardest hit over the past year. However, with the company now trading on a PE 1FY of 12.1x, while still maintaining a market leading position in the lens and acoustics industry, we view AAC technologies’ potential to the upside.

Thank you for your continued support.

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**Summary performance**

For the month of February, the Guinness Atkinson Global Innovators Fund provided a total return of 3.49% (USD) against the MSCI World Index net return of 3.01% (USD). Hence the fund outperformed the benchmark by 0.48% (USD).

As of 2.28.2019 (in USD)	YTD	1 Year	3 Years	5 Years	10 Years
Global Innovators, Investor Class <sup>1</sup>	14.65%	-7.21%	14.42%	8.36%	17.50%
Global Innovators, Institutional Class <sup>2</sup>	14.69%	-6.98%	14.71%	8.53%	17.59%
MSCI World Index Net Return	11.02%	0.43%	12.64%	6.53%	13.04%

As of 12.31.2018 (in USD)	YTD	1 Year	3 Years	5 Years	10 Years
Global Innovators, Investor Class <sup>1</sup>	-16.80%	-16.80%	7.08%	6.03%	14.00%
Global Innovators, Institutional Class <sup>2</sup>	-16.59%	-16.59%	7.35%	6.19%	14.09%
MSCI World Index Net Return	-8.71%	-8.71%	6.30%	4.56%	9.66%

*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.*

<sup>1</sup>Investor class (IWIRX) Inception 12.15.1998 Expense ratio\* 1.24% (net); 1.33% (gross)  
<sup>2</sup>Institutional class (GINNX) Inception 12.31.2015 Expense ratio\* 0.99% (net); 1.17% (gross)

All returns after 1 year annualized.

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<sup>2</sup>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).

\*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 .99% for the Institutional class and 1.24% for the Investor class through June 30, 2019. 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.

As of November 2018, the MSCI World Index Net return was used instead of the Gross Return. MSCI World Index Net Return reflects deduction for withholding tax but reflects no deduction for fees and expenses. Net Return is net of local withholding taxes that any investor would typically pay.

**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 2/28/19:

1.	Danaher Corp	4.03%
2.	Cisco Systems Inc	3.62%
3.	ANTA Sports Products Ltd	3.58%
4.	PayPal Holdings Inc	3.57%
5.	KLA-Tencor Corp	3.50%
6.	New Oriental Education & Technology Group Inc	3.45%
7.	Roper Industries Inc	3.45%
8.	Comcast Corp - A Shares	3.44%
9.	Tencent Holdings Ltd	3.43%
10.	NIKE Inc	3.41%

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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 prospectus contains this and other important information about the Fund, and it may be obtained by calling 800-915-6566 or visiting [gafunds.com](http://gafunds.com). Read it carefully before investing.*

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

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.

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

CSI 300 Index is a capitalization-weighted stock market index designed to replicate the performance of top 300 stocks traded in the Shanghai and Shenzhen stock exchanges.

One cannot invest directly in an index.

Return on capital (ROC) is a measure of the profitability and value-creating potential of companies after taking into account the amount of initial capital invested.

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