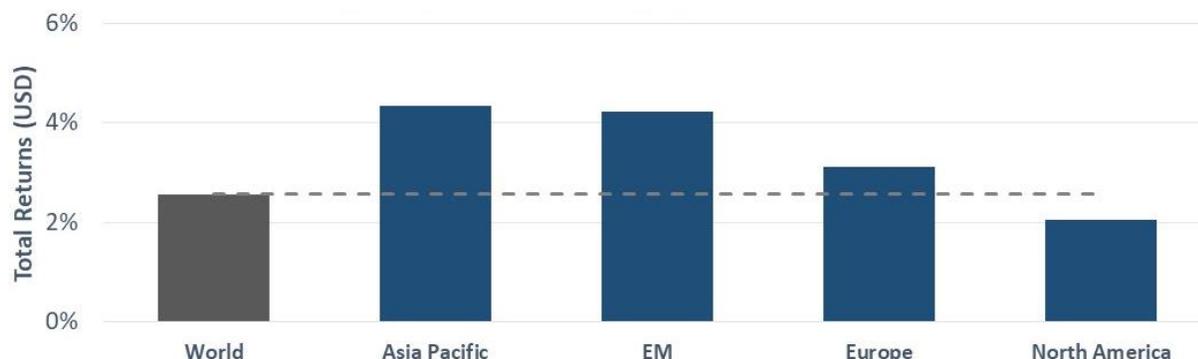


**October in review**

In the US, the S&P 500 entered Q4 with strongest year-to-date returns since 1997 while exhibiting the worst manufacturing PMI (Purchasing Manager’s Index) since 2009 – but with record low unemployment (3.6%). The mixed data has been indicative of a volatile year with geopolitical tensions in the headlines and slowing economic data points detracting from an otherwise robust environment – in the US at least. Indeed, US manufacturing data showed a contraction for the third straight month, while the US economy added more jobs than expected for October. The mixed data was enough for the US Fed to cut interest rates by a further 25bps – the third cut this year – pointing out, however, that the US consumer was robust enough to possibly warrant a pause in further cuts. The continued easing of monetary policy enabled the S&P 500 to push into record territory. Our exposure to North America was positive for fund performance due to strong stock selection, mainly from semiconductor stocks.

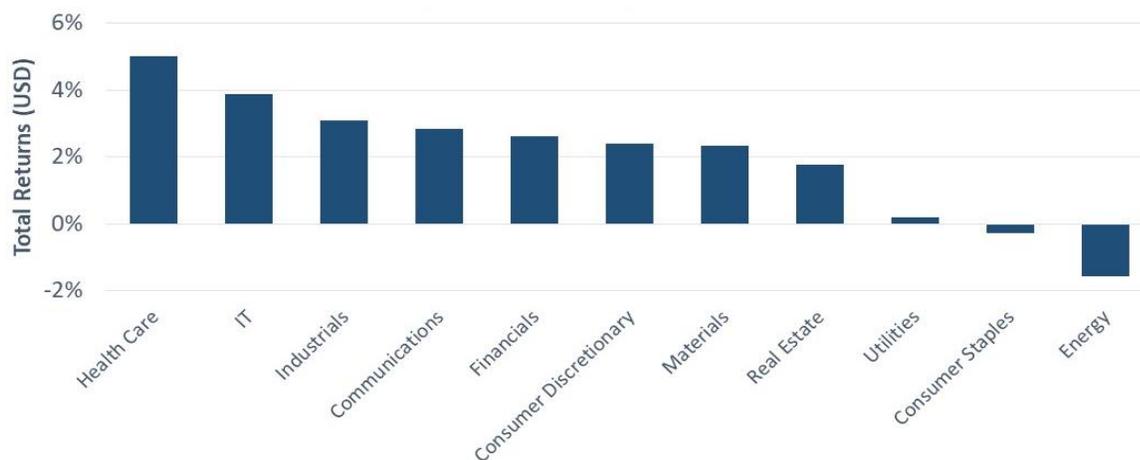
**MSCI World regional performance: September 30<sup>th</sup> 2019 - October 31st 2019**



Source: Bloomberg, as of October 31st 2019

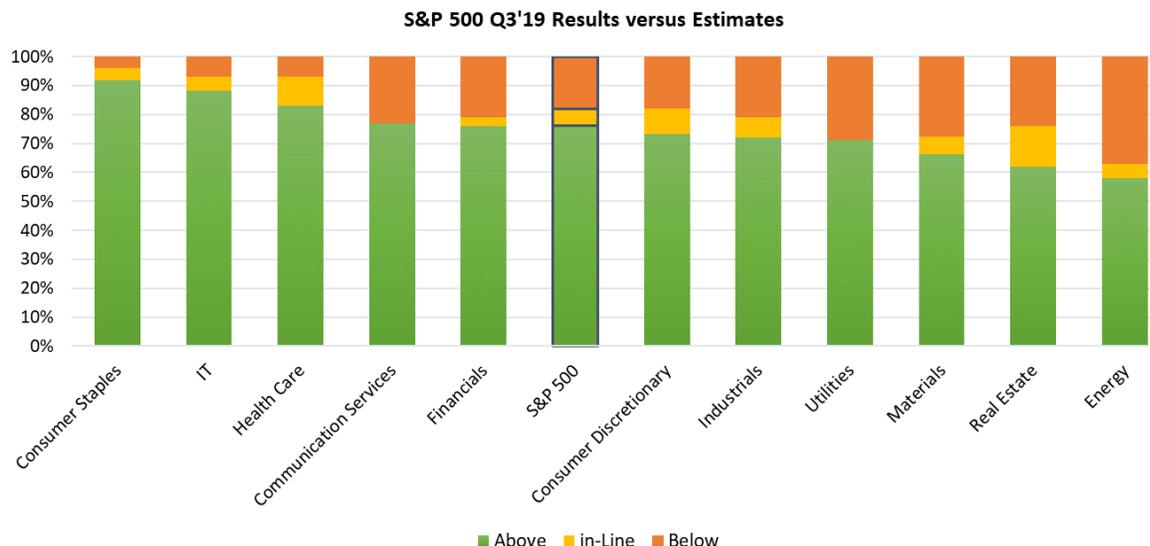
Elsewhere, Asia Pacific and Emerging Markets were the strongest regional performers over the month. In China, GDP growth eased to 6.0% – the slowest pace in 30 years and down from 6.2% in the previous quarter. However, China continued to provide economic stimulus, cutting the Required Reserve Ratio (RRR) – the percentage of deposits banks are required to hold – by another 50bps following the 50bp cut last month, releasing additional money into the banking system. In addition, increasing optimism over the so-called ‘Phase One’ agreement between the US and China enabled Asian stocks to outperform. The fund’s overweight position to Asian Equities was the largest regional contributor to fund performance over the month with Anta Sports (up 18.4% USD) and New Oriental Education (up 10.2% USD) continuing their strong momentum, while Catcher Technologies (up 11.9% USD) benefitted from reports of strong iPhone 11 demand.

MSCI World sector performance: September 30<sup>th</sup> 2019 - October 31st 2019



Source: Bloomberg, as of October 31st 2019

On a sector level, strong earnings reports by Health Care and IT stocks helped propel these sectors to the top of the performance ranking over the month. Indeed, according to Factset, of the 76% of companies within the S&P 500 that have reported for Q3 2019, 89% of Health Care stocks have reported earnings better than forecast and 83% of IT stocks have reported earnings better than expected. While there were some weaker results from bellwethers such as Boeing, Danone, Caterpillar and Texas Instruments, these didn't prevent strength elsewhere. For example, Texas Instruments, which was the one of the first semiconductor stocks to report, reported weak results which caused the Philadelphia Semiconductor Index (SOX Index) to fall more than 2% (in USD) on the day. This was subsequently reversed when other semiconductor names such as LAM Research (up 17.3% USD over the month) and KLA Tencor (up 6.1% USD) reported more upbeat results, leaving the SOX Index at new highs at month-end. Additionally, on a stock-specific level, reports of strong iPhone 11 demand helped to raise Apple supply chain names including Catcher Technology (up 11.8% USD), the manufacturer of casing for smartphones and laptops. Overall, the fund's overweight position to IT stocks was the biggest driver of outperformance, while our underweight exposure to Health Care was a relative drag.



Source: Factset, as of October 31st 2019

**Changes in leadership**



It was announced that Nike’s CEO Mark Parker, who has been at the helm since 2006, would be stepping down and taking on the role of Executive Chairman, to be replaced in the new year with ServiceNow CEO John Donahoe. The stock was subsequently one of the fund’s underperformers over the month (down 5% USD), however, we view this change in a positive light given John Donahoe’s expertise in digital transformation – a strategy Nike has been undertaking by becoming more prominent online and selling more products direct to consumers – while Mark Parker will remain actively involved. Although Nike continues to trade on elevated levels versus its history, we consider it well positioned to continue to benefit from the trend towards athletic apparel and the growing demand from Chinese consumers, where it currently has the market leading share.



SAP, which is currently searching for a new CEO after Bill McDermott stepped down last month (and has subsequently become CEO of ServiceNow), was one of the fund’s outperformers over month, returning 12.9% (in USD). Earnings reported were in line with pre-announced results made earlier in October, with revenue up 10% (in constant currency), cloud revenue up 33% (in constant currency) and gross margin improving by 150bps mainly on improved cloud gross margins. Additionally, SAP announced an extensive partnership with Microsoft to drive the adoption of SAP cloud offerings using Microsoft Azure. We continue to view SAP favourably as a leading provider of CRM and ERM systems, leveraging the cloud to provide

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enhanced offerings that can be upgraded more regularly and with relative ease. We believe SAP has substantial switching costs advantages, making it difficult for customers to change system provider and, with the addition of its new strategic program aimed at improving operational excellence, we have continued to see strong upside from SAP.

Thank you for your continued support.

**Portfolio Managers**

Matthew Page, CFA

Dr Ian Mortimer, CFA

Thank you for your continued support.

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**Summary performance**

For the month of October, the Guinness Atkinson Global Innovators Fund provided a total return of 4.8% (USD) against the MSCI World Index net return of 2.5% (USD). Hence the fund outperformed the benchmark by 2.3% (USD).

as of 10.31.2019 (in USD)

	YTD	1 year	3 years annualized	5 years annualized	10 years annualized
Global Innovators, Investor Class <sup>1</sup>	29.32%	20.21%	14.72%	9.12%	13.74%
Global Innovators, Institutional Class <sup>2</sup>	29.58%	20.51%	15.01%	9.33%	13.86%
MSCI World Index NR	20.60%	12.69%	11.86%	7.58%	9.47%

as of 09.30.2019 (in USD)

	YTD	1 year	3 years annualized	5 years annualized	10 years annualized
Global Innovators, Investor Class <sup>1</sup>	23.42%	2.77%	12.23%	8.63%	12.88%
Global Innovators, Institutional Class <sup>2</sup>	23.64%	3.03%	12.51%	8.83%	12.99%
MSCI World Index NR	17.61%	1.83%	10.21%	7.18%	9.00%

All returns after 1 year annualized.

*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](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\* 1.25% (net); 1.30% (gross)

<sup>2</sup> Institutional class (GINNX) Inception 12.31.2015 Expense ratio\* 1.00% (net); 1.13% (gross)

<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 0.99% for the Institutional class and 1.24% for the Investor class through June 30, 2020. 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.

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**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 10/31/19:

1. FANUC Corp	3.71%
2. Lam Research Corp	3.60%
3. Schneider Electric SE	3.55%
4. Applied Materials Inc	3.53%
5. KLA-Tencor Corp	3.52%
6. New Oriental Education & Technology Group Inc	3.50%
7. Eaton Corp PLC	3.48%
8. ANTA Sports Products Ltd	3.41%
9. Continental AG	3.41%
10. ABB Ltd	3.41%

For a complete list of holdings for the Global Innovators Fund, please visit:

<https://www.gafunds.com/ourfunds/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](http://www.gafunds.com). Read and consider it carefully before investing.*

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

A basis point (bp) is equal to 0.01% or 1/100 of a percentage point.

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

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

One cannot invest directly in an index.

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