
Summary Review & Outlook

Market

- In September, MSCI China fell 5.1% and MSCI Hong Kong fell 6.1%. The CSI 300 Index rose 1.5%.
- MSCI China Value fell 4.6% while MSCI China Growth fell 5.4%.
- In China, the strongest sectors were Energy (total return of +9.4%), Consumer Staples (+3.7%) and Utilities (+3.2%) while the weakest were Consumer Discretionary (-9.9%), Information Technology (-9.6%) and Materials (-8.9%).
- In Hong Kong, the Real Estate and Financials indices fell 6.7% and 2.7% respectively.
- In the Fund, strong performers were Fuling Zhacai, Yili, Autohome, Nari Technology and China Overseas Land & Investment. Weaker stocks were China Lesso, Geely, Xinyi Solar, China Resources Gas and Netease.

- In the third quarter, MSCI China fell 18.2% and MSCI Hong Kong fell 9.4%.
- MSCI China Value fell 13.5% while MSCI China Growth fell 22.3%.
- In China, the strongest sectors were Energy (total return of +12.4%), Utilities (+12.1%) and Materials (+6.7%) while the weakest were Consumer Discretionary (-26.3%), Communication Services (-23.7%) and Real Estate (-19.5%).
- In the Fund, strong performers were Nari Technology, Lead Intelligent, China Overseas Land & Investment, Elite Material and Haier Smart Home. Weaker stocks were Alibaba, China Lesso, Suofeiya, China Medical System and Ping An.

Market Overview

It was an eventful quarter for Chinese markets, with headwinds including:

- The government focusing more on common prosperity, leading to unanticipated regulatory activity in industries such as e-commerce, gaming and education.
- Evergrande was unable to borrow more to pay off its liabilities, meaning it could not repay a bond due in September. This led to concerns over potential contagion in the property market, as well as in the wider economy.
- Unexpected power cuts led to weaker economic activity in September. We think these cuts were due to inefficiencies in Chinese power markets, meaning power plants were reluctant to produce in light of higher cost prices.
- Economic growth is slowing down, as the government winds down monetary stimulus.

These factors have led Chinese markets to sell-off. The forward price/earnings ratio for the broader market, as measured by the MSCI China Index, has fallen from the peak of 19.4x in February to 14.5x at the end of September.

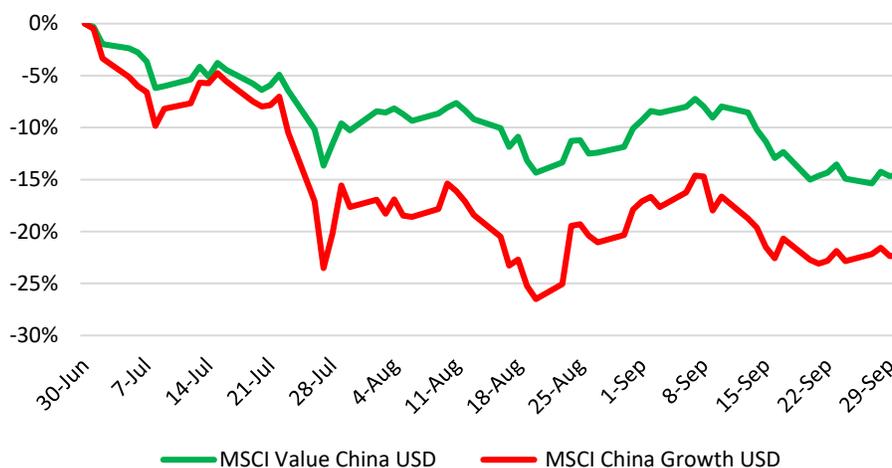
MSCI China FY1 P/E Ratio



(Date – 12/31/20 – 09/30/21)

Value stocks outperformed growth stocks in the third quarter. In July and August, it was the high growth stocks affected by regulation which were weak, meaning value did relatively well. In September, the fallout from Evergrande meant value and growth fell in line with each other.

MSCI China Value vs Growth (Third Quarter)



(Date – 06/30/21 – 09/30/21)

Stock Switches

In July we sold Yuhong and in August we bought AIA and Shengyi Technology.

Yuhong is a manufacturer of waterproofing materials used in the construction industry. We believe its share price did not fully reflect the company's exposure to Evergrande, and therefore took profit on the stock. We still like the company and it remains on our watchlist as Yuhong's balance sheet is strong enough to weather a weaker year.

AIA gives the fund exposure to growing demand for life and health insurance. It is headquartered in Hong Kong and derived more than 50% of its revenue from the China region. AIA also has exposure to Southeast Asia, namely Thailand, Malaysia and Singapore. However, much of the future earnings growth is likely to come from mainland China. AIA is targeting the rising middle class in the country and we believe there is a lot of room for the company to grow from a relatively low base. AIA targets the premium end of the market, using its highly trained workforce which is viewed as giving some of the best service in the industry. This is backed up by AIA's very low turnover rate amongst its staff, relative to its competitors.

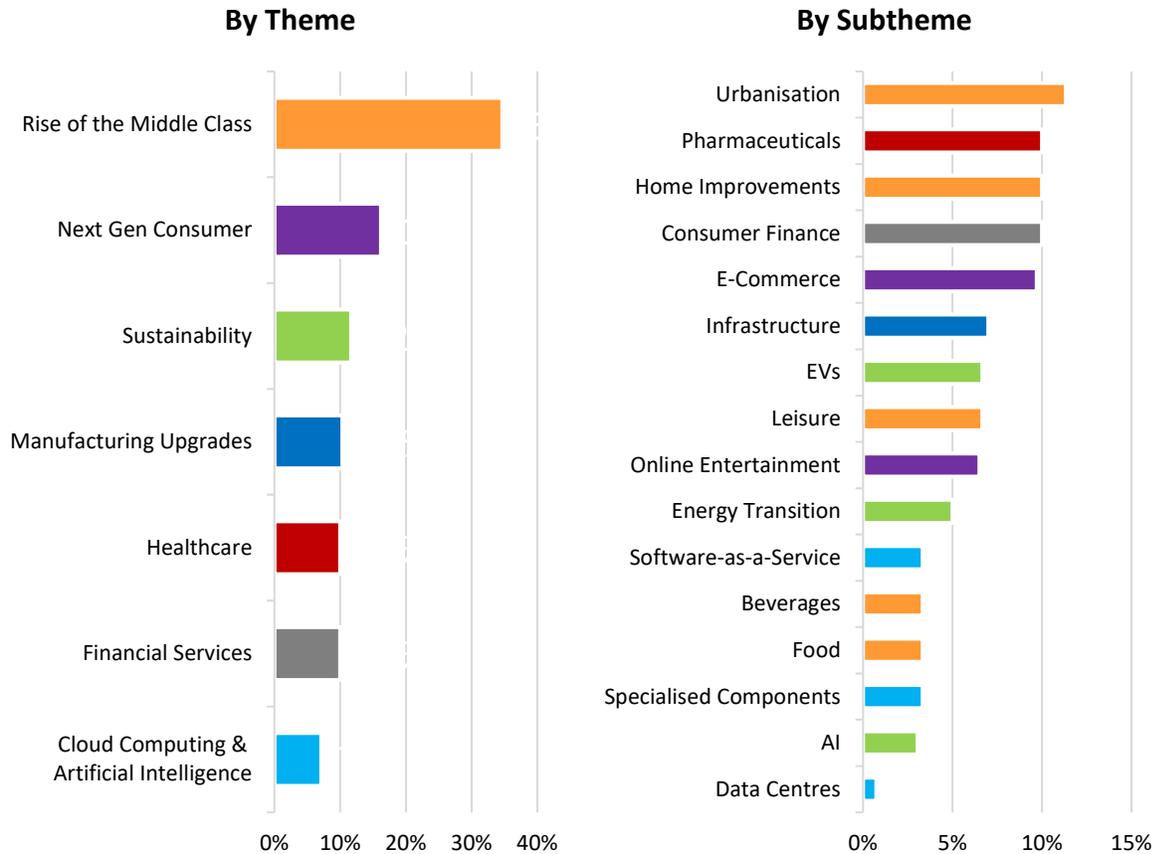
Shengyi Technology makes copper clad laminates (CCLs), which are the main base material for printed circuit boards (PCBs). It benefits from multiple trends which point to greater demand for CCLs and PCBs: growing popularity of 5G compatible devices, growing demand for servers and cloud services as well as localization towards Chinese suppliers in the Chinese market. Shengyi is quickly moving up the value chain, supporting a gradual rise in margins over time.

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Portfolio Stats

Below we show the Fund's exposure to the structural growth themes we focus on. The Fund's largest exposure is to the Rise of the Middle Class, the Next Gen consumer and Sustainability. The Fund's largest exposures to subthemes include Urbanization, Pharmaceuticals and Home Improvements.

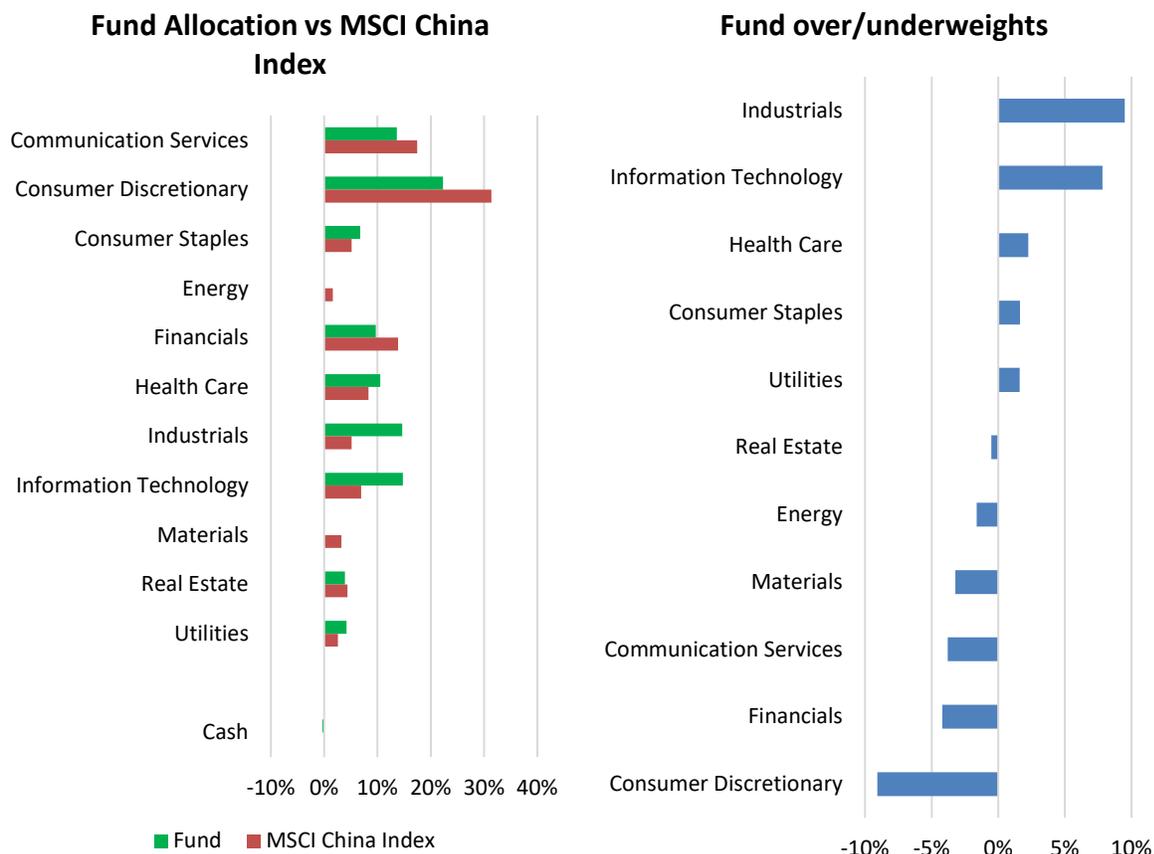


(Data as of 09/30/21)

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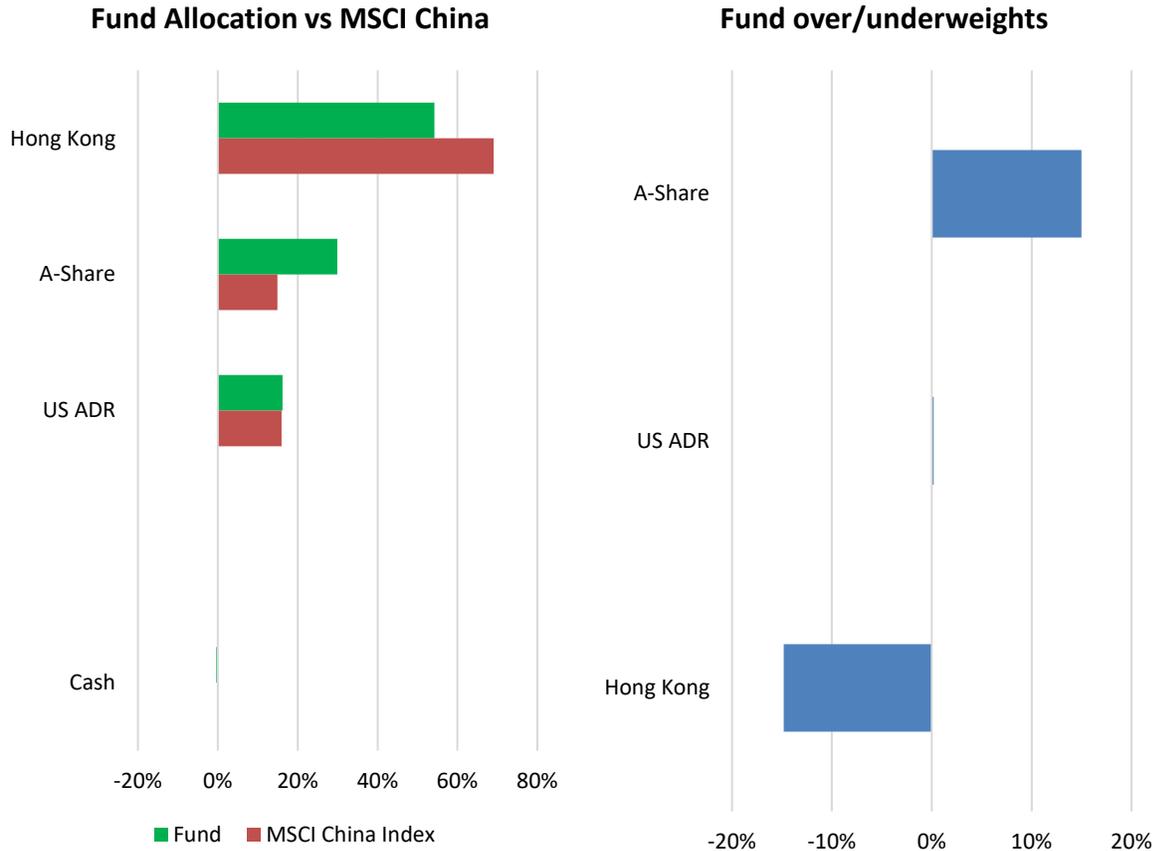
Below we show the Fund's sector exposure. The Fund's largest exposures are to Consumer Discretionary, Communication Services and Information Technology. Relative to the MSCI China Index, the Fund is overweight in Industrials and Information Technology, and underweight in Consumer Discretionary.



(Data as of 09/30/21)

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Below we show the Fund's exposure by exchange. Relative to the MSCI China Index, the Fund is overweight in A-shares and underweight in Hong Kong.



(Data as of 09/30/21)

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Outlook

Below we summarize the portfolio's characteristics. Relative to the MSCI China Index, the Fund is invested in higher return on equity businesses. The Fund's net debt/equity ratio is negative, meaning that on the whole, the portfolio is invested in businesses with enough cash on the balance sheet to pay off all debt. The Fund is invested in businesses which historically have grown sales and earnings at 11% a year. This is in contrast to the broader market, where there has been no earnings growth over the past five years. Based on consensus analyst earning expectations, the Fund and the market are expected to grow earnings by 16% and 14% a year respectively. Despite the Fund's higher return on capital and higher historic earnings growth, it trades in line with the market. As the Fund is run on an equally weighted basis, it is not concentrated in the large online tech businesses, and so the Fund has a high active share of 85% relative to the MSCI China Index.

Quality			Growth			Conviction	
	Fund	MSCI China		Fund	MSCI China		
Return-on-Equity	20%	13%	Sales growth (Historic 5 yr annualized)	12%	3%	Positions	30
Net debt/equity	-8%	28%	Earnings growth (Historic 5 yr annualized)	13%	0%	Top 10 %NAV	42%
			Expected sales growth (2 yr annualized)	18%	13%	Bottom 10%NAV	26%
			Expected earnings growth (2 yr annualized)	16%	14%	Active share ¹	85%
			PE (2022e)	12.4	12.5		

1 - Active share relative to iShares MSCI China ETF.

(Data as of 09/30/21)

Edmund Harriss (portfolio manager)

Sharukh Malik (portfolio manager)

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Performance

In September, the Guinness Atkinson China & Hong Kong Fund fell 6.73% while the Hang Seng Composite Index fell 4.97% and the MSCI China Net Total Return (NTR) Index fell 5.02%. In the third quarter, the Guinness Atkinson China & Hong Kong Fund fell 12.93% while the Hang Seng Composite Index fell 14.79% and the MSCI China NTR Index fell 18.17%.

As of 09/30/2021	YTD	1 Year	3 Year	5 Year	10 Year
China & Hong Kong Fund (ICHKX)	-9.10%	5.41%	6.11%	8.78%	7.06%
Hang Seng Composite Index TR	-9.39%	5.46%	3.69%	7.16%	8.21%
MSCI China Net Total Return Index	-16.67%	-7.33%	5.94%	9.12%	8.68%

All returns over 1 year annualized. *Source: Bloomberg, Guinness Atkinson Asset Management.*

Expense Ratio: 1.60%

The Fund's outperformance in the quarter came in July, when the Fund fell 7.06% while the Hang Seng Composite Index fell 10.94% and the MSCI China NTR Index fell 13.84%. The Fund's underweight in the large tech stocks was the main source of outperformance. As the Fund is run on an equally weighted basis, each position has a neutral weight of just over 3%. This is in contrast to the MSCI China Index, where as of June 30 2021, Tencent had a weight of 13.4% and Alibaba had a weight of 13.3%. Fund holdings Nari Technology and Lead Intelligent were further contributors to performance in July. Nari's share price was boosted by news that the cap for electricity prices during peak hours is to be boosted by at least 20%. This should theoretically boost revenues for the grid, leading to higher procurement budgets, boosting Nari's

Performance data quoted represents past performance; past performance 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 shown is current to the most recent month and quarter end. To obtain performance as of the most recent month end, please visit www.gafunds.com or call 1-800-915-6565. Performance data does not reflect the 2% redemption fee for shares held less than 30 days and, if deducted the fee would reduce the performance noted.

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potential sales. For Lead Intelligent, the share prices of companies in the battery supply chain have rallied since the bottom in March, boosted by positive earnings. The market's rotation away from online tech towards growing industries with government support further led to a rally at the end of July.

In August, the Fund rose 0.44% while the Hang Seng Composite Index rose 0.69% and the MSCI China NTR Index was flat. The Fund's underweight position in Alibaba was the main contributor to performance, boosted by positive contributions from Xinyi Solar, Nari Technology and China Overseas Land & Investment. On the other hand, detractors to performance included Shengyi Technology and Fuling Zhacai.

In September, the Fund fell 6.73% while the Hang Seng Composite Index fell 4.97% and the MSCI China Net Total Return (NTR) Index fell 5.02%. Evergrande and power cuts were the main stories in the month, meaning that in addition to the Energy sector, defensive sectors Consumer Staples and Utilities were outperformers. The Fund holds one property developer, China Overseas Land & Investment (COLI), which was one of the strongest stocks in the fund (see section on portfolio performance for more details). In September, Fuling Zhacai and Yili were contributors to performance, offset by weakness in Lesso, Geely and Xinyi Solar.

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 investment company, and it may be obtained by calling 800-915-6566 or visiting gafunds.com. Read it carefully before investing.

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 China and/or Hong Kong stock markets in which the Fund invests may experience periods of volatility and instability. These fluctuations may cause a security to be worth less than it was at the time of purchase. Market risk applies to individual securities, a particular sector or the entire economy. China and/or Hong Kong stocks may fall out of favor with investors, the value of Chinese currencies may decline relative to the U.S. dollar and/or China or Hong Kong stock markets may decline generally. The Fund invests in small-cap or mid-cap, which involve additional risks such as limited liquidity and greater volatility, than investments in larger companies.

One cannot invest directly in an Index.

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

Hang Seng Composite Total Return Index is a market capitalization weighted index that monitors the performance of stocks listed in Hong Kong.

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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 703 constituents, the index covers about 85% of this China equity universe.

MSCI Hong Kong Index is a capital weighted stock index designed to measure the performance of the large and mid cap segments of the Hong Kong market. It has 48 constituents and covers approximately 85% of the free float-adjusted market capitalization of Hong Kong equity stocks.

MSCI China Value Index captures large and mid cap Chinese securities exhibiting overall value style characteristics. 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 China Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across the Chinese equity markets.

Shanghai Composite Index, also known as SSE Index, is a stock market index of all stocks that are traded at the Shanghai Stock Exchange.

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.

Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets.

Active Share is the percentage of portfolio holdings in a Fund that differs from the benchmark index.

Earnings growth is not a measure of the fund's future performance.

Opinions expressed are subject to change, are not a guarantee and should not be considered investment advice. Past performance is not indicative of future results.

Top Fund Holdings as of 09/30/2021:

1. NARI Technology Co Ltd	5.32%
2. Xinyi Solar Holdings Ltd	4.87%
3. Autohome Inc	4.36%
4. China Resources Gas Group Ltd	4.17%
5. China Merchants Bank Co Ltd - H Shares ADR	4.15%
6. CSPC Pharmaceutical Group Ltd	3.90%
7. China Overseas Land & Investments Ltd	3.84%
8. Inner Mongolia Yili - A Shares	3.82%
9. Venustech Group Inc	3.81%

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10. JD.com Inc 3.74%

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

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