Guinness Atkinson
Alternative Energy Fund
Managers Monthly Update
First Quarter 2017

In this update we comment on the first quarter of 2017:

- Quarter comment
- Outlook
- Portfolio changes
- Performance
- Holdings

Quarterly commentary

Alternative energy stocks recovered after their weak response to the election of Donald Trump as the president of the United States. His presidency is expected to have a relatively low impact on installation figures globally given the low US market share of installations. All subsectors that the fund invests in contributed positively to performance, with the fund's wind holdings providing the highest contribution, followed by the fund's solar and hydro holdings.

Performance contribution

Wind

The robust performance of the fund's wind holdings was led by three of the fund's Chinese Independent Power Produce positions (IPPs), with support from Senvion, the fund's only wind turbine manufacturer and Boralex, the Canadian listed IPP. China Suntien was up 49.7% having seen higher growth than expected in profits because of higher wind speeds and lower curtailment. China Datang and Huaneng Renewables were up 12.4% and 6.5% respectively on the news that China may introduce new renewable energy certificates to pay renewable energy projects faster for their production – on some occasions producers have to wait for as much as two years before subsidies owed are paid under the current system. China Longyuan was down 0.55% over the quarter due to lower than expected wind utilization and poor performance in its conventional power generation business. Concord New Energy was down 2.69% as it continued to execute its change in strategy to focus on building and owning projects rather than only providing the engineering, procurement and construction services. This strategy shift has resulted in a fall in revenue but an increase in net profit by 13.4%. The company saw a boost from high wind power output from new projects and maintained a strong project pipeline for 2017 which was offset over 2016 by higher than expected curtailment.

The Chinese government introduced several policies to lower levels of curtailment including building four to five high voltage transmission lines each year, introducing guaranteed minimum offtake levels for wind installations and halting the development of further projects in areas of high wind power curtailment. Lower curtailment is of direct benefit to the profitability of the Chinese IPP companies held in the fund.

Our Canadian IPP holding Boralex was up 13.1% with solid project pipelines and high earnings visibility. Mytrah, our Indian wind IPP holding, was the worst performing wind energy holding (down 18.7%), due to low liquidity in the stock and rumours that Indian electricity distribution companies would cut their offtake prices.

Our only wind manufacturing holding, Senvion, was up 7.6% after a poor Q4 2016. The stock trades at multiples that reflect a significant discount to its peers, which we think will be rerated as the company expands away from its home German market.

Solar

The solar sector saw a flat quarter overall, with Chinese module manufacturers recovering from last year's sell off and US module manufacturers underperforming. Of the Chinese module manufacturers, JA Solar and JinkoSolar performed particularly well due to the higher-than expected installations in China's H2 2016 which they reported in Q1 2017. FirstSolar and SunPower who sell mainly to the US market were hurt by a continued negative sentiment following the election of Trump.

China Singyes, a solar installer in China, and Xinyi Solar Holdings, a glass-sheet manufacturer for solar panels were down 5.6% and 1.8% respectively reflecting slightly weaker expectations for Chinese solar demand. China Singyes had rallied in H2 2016 on the news of over 20GW of solar having been installed in H1 2016. Since then, the company has given up some of its gain, potentially due to preliminary data showing that H1 2017 could see fewer PV installations in China than previously expected before the feed-in tariff cut on 30 June 2017.

Efficiency

Our efficiency holdings had a successful quarter, with Centrotec, a German energy-efficient boiler company, leading the pack. The company has met its revenue and profit forecasts and has predicted further growth for 2017. Sensata, a US electronics manufacturer mainly serving the automotive market, increased with gains across the automotive sector.

Schneider Electric, a French automation and power electronics specialist, and Prysmian, an Italian cable company, also performed well. Schneider Electric has exposure to the building sector in the United States, China and the recovering building sector in Europe. Prysmian reported results in-line with expectations with a strong order book from energy projects.

Johnson Controls, a US energy efficiency products manufacturer, Nibe Industrier, a Swedish heat pump specialist and Kingspan Group, an Irish insulation panel producer, had a relatively flat quarter.

Our Chinese efficiency holdings underperformed this quarter. Tianneng Power, an electric bicycle battery manufacturer, was down 1.1% despite reporting a 50% increase in revenue for 2016. Wasion, a Chinese meter manufacturer, was down 2.1% partly caused by delays to State Grid upgrade roll out. The resulting slower replacement of smart meters meant lower than hoped sales for Wasion products. The upgrading of the grid in China is government mandated and we continue to have a positive outlook on Wasion in the long term. Boer Power, our energy management systems holding was the weakest of the three, down 15.72%. The company has gone through restructuring which resulted in a larger-than-expected loss for 2016. and we believe the industry in which Boer Power is situated - electrical distribution systems and energy efficiency management - will grow substantially in the years to come.

Ricardo, the automotive engineering consultancy, was down 8.1% despite reporting improved half-year results this quarter. The company provides services for making combustion engines more efficient. Ricardo is exposed to the increased electrification of vehicles, an area which we expect to grow exponentially over the next decade.

Hydro

Cemig was up 44.3% in the first quarter. Cemig has benefitted from the increase in value of the Brazilian real to the US dollar and an increase in the Brazilian IBOVESPA Index. The stock came off towards the end of the quarter due to legal complications regarding concessions to running three hydro plants.

Iniziative Bresciane, a small Italian hydropower utility was down 10.0% in the first quarter. The company suffered from poor rainfall and lack of liquidity in the market. The company has completed several small hydro facilities over the last two years that are expected to contribute to higher earnings in 2017 and the company is well placed for any improvement in European power prices.

Geothermal

Ormat Technologies, continues to do well as more plants are completed and generate cash flow for the company. The company's 2016 revenues were a new record, increasing 11.4% year on year. Ormat finalised the acquisition of Viridian Energy, a demand response, energy management and energy storage specialist.

Biofuel

Brazil's Cosan, was up 4.5%, tracking the IBOVESPA Index and reflecting an improving outlook for ethanol sales. The company pulled back in late February due to a capital raise and a downgrade from a prominent broker due to valuation concerns.

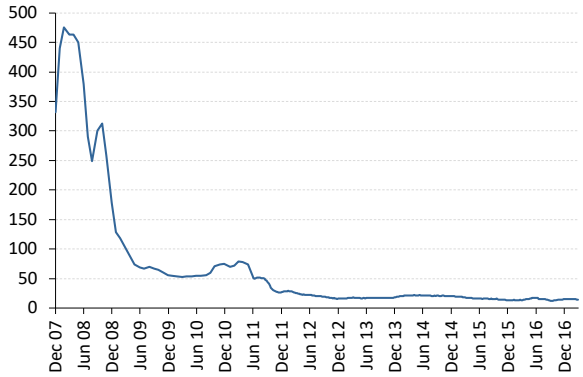
On a stock basis, the top five performers over the quarter were China Suntien Green Energy (49.7%), CEMIG (44.3%), JA Solar (37.4%), Centrotec (19.3%) and Boralex (13.1%).

The bottom five performers were Mytrah (-18.7%), Boer Power (-15.7%), FirstSolar (-15.6%), Iniziative Bresciane (-10.0%) and Ricardo (-8.1%).

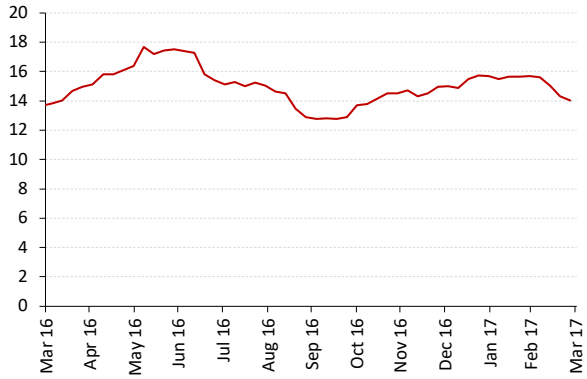
Outlook

Solar

Long-term Silicon price ($/kg) **TTM Silicon price ($/kg)**



Source: Bloomberg

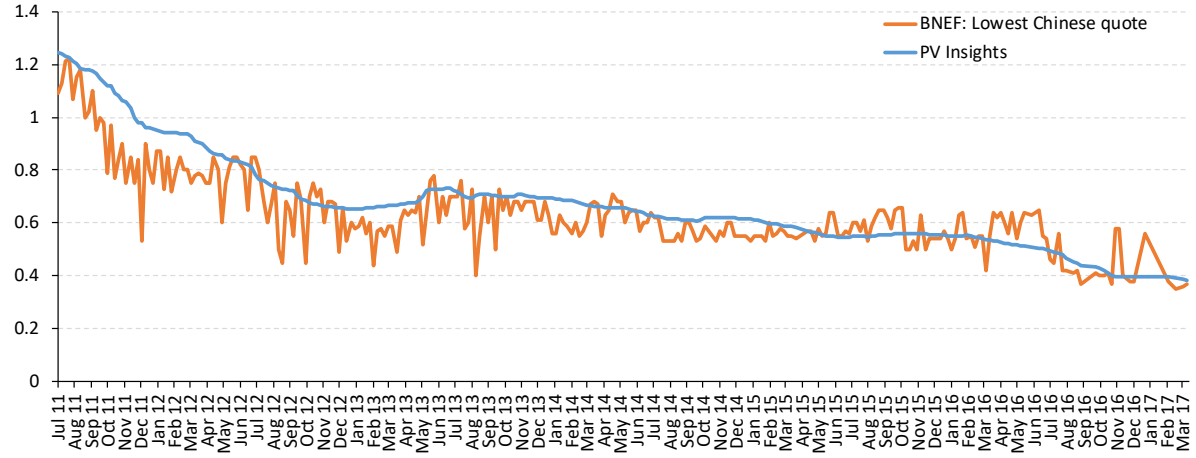


Source: Bloomberg

Over the quarter, the Bloomberg New Energy Finance polysilicon spot price decreased from $14.53 to $14.01. Polysilicon prices had reached an all-time low at the end of Q3 2016 of $12.88. For historical context, polysilicon prices have fallen from a high of $475/kg in February 2008 to just over $50/kg in December 2009. Since then, polysilicon has continued to fall in price albeit not as dramatically. Since August 2012, polysilicon has failed to maintain a price above $20/kg for any significant amount of time. The costs for producing silicon in existing plants is now believed to be just under $10/kg for the lowest cost producers. Several polysilicon production plants still have costs of over $20/kg[1]. We are aware of smaller suppliers entering the market who claim to have production costs below $10/kg using new technologies. We do not believe that there will be a major bottleneck in polysilicon supply causing a price spike unless annual installation volumes more than double from current levels in the next year. We have no investments in polysilicon producers.

Module Price ($/W)

[1] Bloomberg New Energy Finance



Source: Bloomberg

Module prices have declined steadily and have seen a lurch downwards following the reduction in Chinese feed-in tariffs in June 2016, when supply outstripped demand. During Q1 2017 module prices have fallen 8% from $0.37/W to $0.34/W squeezing manufacturer margins. China has a cycle of feed-in tariff cuts that occur in June each year, leading to a surge in demand in Q2. The rest of the world typically has a strong demand cycle driven by completion by calendar year end, leading to a second surge in Q4. We expect the module price to stabilize as demand for 2017 ramps up.

Over the long run, prices and costs are likely to continue to decline further due to economies of scale and multiple small incremental manufacturing process technology improvements which should enable manufacturers to defend margins over the long run. Consolidation of the solar module manufacturers is likely and will further support margins. We believe that the companies in the portfolio are well-placed to weather this period, with low cost bases, strong balance sheets and shareholder support.

Solar PV forecast

	2013	2014	2015	2016	2017	2018	2019
World	**41.6**	**45.0**	**56.0**	**75.0**	**78.7**	**89.4**	**93.0**
Asia	23.8	25.5	35.7	47.8	48.1	42.0	42.3
North America & Caribbean	5.5	7.4	8.2	15.0	13.0	18.5	19.2
EU Europe	9.8	6.8	7.9	5.8	5.3	5.6	5.9
Non-EU Europe	0.9	0.8	1.0	1.4	3.1	4.4	5.0
Central & South America	0.2	1.0	0.7	1.5	2.7	5.6	4.4
Oceania	0.9	1.3	1.3	1.4	2.4	4.7	6.3
Middle East & North Africa	0.3	0.8	0.7	1.1	2.4	5.6	6.1
Africa (excl. North Africa)	0.3	1.5	0.4	0.9	1.6	2.9	3.6

Source: Bloomberg. Note: Sorted by 2017 forecast installations

Overall, analyst forecasts of demand for solar panels show continued growth. It is probable that the global demand for solar panels will hit 100GW by the end of the decade. Many countries have announced the phase-out of any subsidy support for solar by mid-2020s due to its rapid cost declines and belief that the technology will be able to compete with fossil-fired generators.

We believe that this would be a positive boost to the industry, as it would no longer be vulnerable to policy changes.

Asia is by far the most important region for solar demand. China today accounts for most of that Asian demand and is expected by market commentators to stabilize at 25-35GW of annual demand between 2017 and 2020. China is facing some problems with paying out its subsidies in time as the solar installation rates are higher than expected and the subsidy pot empties faster than it can be replenished. So far, this has not stopped developers from developing and commissioning plants. China is also looking to introduce a renewable energy certificate (REC) scheme that will enable faster payments to developers.

The emerging Asian solar heavyweight is India. The country installed a record 4.5GW in 2016 and is poised to install around 9GW annually over the next three years. India has set an ambitious goal of 100GW of solar by 2022. Although the target may not to be met, it is not unthinkable that India could come close given growth rates that have been achieved in other countries. Installation volumes in Japan – once the second-largest PV market – will decrease to 5GW per year as the latest incentives are reduced. Other Asian market demand is forecast to pick up as governments and entrepreneurs increasingly recognize the possibilities for reform of electricity systems that solar affords for high energy cost, high insolation countries. We believe that analysts are underestimating the potential surge in solar installations in South Asia and South East Asian countries.

Outside of Asia, the next most important market is the US, where the extension of the Investment Tax Credit in December 2015 created a fertile support regime for growth of solar installations. However, the uncertainty around Donald Trump's energy policy has meant sentiment for renewable energy in the US has nose-dived. Prices for rooftop installations in the United States are still double the price as in Australia and Germany. We believe there is scope for installation costs to reach the lower levels seen in China and Europe if tax credits are removed as these have a side effect of encouraging high upfront installation pricing. Lowering installation costs to these levels would allow customers to achieve similar economics to those they have with the tax credits. The economics of solar in many parts of the United States are so favourable that they should not require subsidies to support installations. This should underpin continued installation growth over the medium term in the US notwithstanding any policy change implemented.

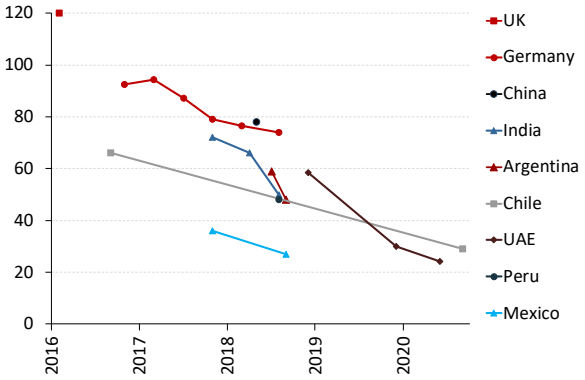
The European Union countries are seeing the highest growth in unsubsidised installations. Unsurprisingly, it is the sunny southern European countries with high energy costs where we believe there to be upside to analysts' forecasts between 2017 and 2020. Of the non-EU countries, it is Turkey who is driving solar demand, following significant complications in its subsidy regime that have now been overcome.

The Latin American markets continue to have excellent prospects. Mexico has hosted several successful solar auctions, as has Argentina and growth even remains strong in Brazil, notwithstanding its political turmoil and stalling economy

The Middle East and Africa have immense potential, especially with many countries in Africa having high power prices while experiencing relatively high economic growth. In the Middle East, countries dependent on oil revenues while burning diesel for power present a particularly compelling case for solar.

Solar LCOE developments

PV bids by delivery date ($/MWh)



Source: Bloomberg, Cleantechnica, Guinness Asset Management

Implied price decreases, total and annualised

Country	Absolute decrease ($/MWh)	Years over which price decreases	Annualised rate of price decrease
UAE	35	1.5	44%
Mexico*	9	0.8	35%
Argentina	11	0.5	34%
Chile	37	4	19%
India	6	0.5	16%
Germany	18	1.75	12%

*Source: Guinness Asset Management Note: *results from second auction are preliminary and still to be confirmed by government.*

The chart and table above show the trend of decreasing solar power over time according to delivery dates of tender-winning projects and by country.

Photovoltaic module prices and project prices are falling rapidly, with solar outcompeting fossil fuels in sunny countries. As subsidies are rolled back, the solar market and module demand can grow organically without being rocked by subsidy changes as it was in the past. Other than cost, the advantages of solar power projects over conventional power generators, such as easy permitting, short construction time and its modular nature, will allow for quick adoption and continued increases in demand.

Wind

The global wind power market decreased marginally in 2016 but is set to increase from 55GW in 2016 to 65GW in 2019. Much of this growth is due to the rapid increase of offshore wind installations in China, the United Kingdom, Germany and other European countries.

China remains the largest market by far for the wind sector. China is forecast to install around 23GW per year between 2017 and 2020, including offshore wind. China tightened curtailment rules making it less easy to curtail wind output. This translates to an increase in revenues for Chinese wind power plant owners overall. So far, curtailment has stopped increasing and the new legislation has been enforced successfully, although curtailment still remains a drag on performance for operators. The Chinese government has halted further development of onshore wind farms in regions where curtailment is highest, meaning that there will be less electricity price pressure on those areas and on existing wind facilities owners margins. Annual installations of onshore wind in China may decrease, but those decreases will be countered by an increase in annual installations of offshore wind projects providing between 1.5 and 2.5GW of incremental demand in China.

The clear majority of the Chinese wind market is supplied by Chinese turbine manufacturers, offering limited opportunities for non-Chinese manufacturers. As China ventures into offshore, more non-Chinese companies may enter that market. Conversely, as the Chinese market

stagnates, the open question is whether Chinese manufacturers will expand their customer base abroad and take some market share off non-Chinese manufacturers.

Wind forecast

	2013	2014	2015	2016	2017	2018	2019	2020
World (including offshore)	**33.9**	**48.7**	**62.4**	**55.1**	**58.3**	**63.0**	**64.6**	**64.2**
Asia	17.2	23.7	32.4	28.0	28.0	28.8	30.0	31.1
EU Europe	11.9	10.5	13.8	11.8	14.6	11.3	12.4	11.8
North America & Caribbean	2.5	7.8	10.6	9.7	9.2	11.9	12.7	13.3
Central & South America	0.7	3.9	3.3	3.3	2.6	6.1	3.8	3.4
Non-EU Europe	0.9	0.9	1.0	1.4	1.5	1.8	1.9	1.8
Africa (excl. North Africa)	0.0	0.7	0.7	0.4	1.4	1.5	1.3	1.6
Oceania	0.5	0.8	0.4	0.3	0.4	0.8	1.6	0.1
Middle East & North Africa	0.2	0.4	0.2	0.2	0.4	0.8	0.9	1.1

Source: Bloomberg. Note: Sorted by 2017 forecast installations

The United States is the largest individual market outside Asia. The United States Congress extended the production tax credit (PTC) which supports wind installations at the end of 2015 out to 2019. The PTC declines annually from end-2016 onwards, meaning that there was a rush to securing the subsidy in 2016, leading to record orders for larger global wind turbine manufacturers. Following this, there will be a rush to begin construction of onshore wind farms before the end of every year until end-2019. However, this may not translate into immediate earnings for turbine manufacturing companies since the PTC works on when construction is commenced or money spent on the project so far, rather than by commissioning date. To qualify for the PTC, projects must be completed within two years from start of construction, meaning that wind turbine manufacturers are likely to see an increase in their earnings with a one-year lag. This two-year completion rule also explains the increase in wind installations in North America expected in 2018.

With the expected cost and performance improvements of turbines, we believe that onshore wind power will be even more competitive compared to conventional sources in the United States, which may support higher growth than expected in 2018 and 2019 and will help the industry continue once the PTC has tapered off.

Europe is expected to continue to witness annual wind installation demand of between 11GW and 13GW between 2016 and 2018, driven by the feed-in-tariffs in France and general competitiveness of wind power with conventional sources. Auctions for wind power projects are being introduced in Germany in May 2017 and are expected to drive down wind installation pricing. Expected annual onshore wind installation levels in Germany are expected to fall by around 1GW but there may be unexpected demand from the change in market dynamics. Germany is starting construction on a transmission link with Norway, essentially using Norway's many hydro plants as energy storage. This opens grid capacity and would allow for even higher penetration of renewables in northern and central Europe.

Canada and Mexico are the next sources of demand growth. Mexico's liberalization of the energy market has brought new interest. The country's second power auction in early October brought new records to Latin America, with wind dropping to $32/MWh, only $2 off the cheapest wind bid record set in Morocco. Chile has made headlines due to its auctions where wind power bids have decreased in price since last year, down to $38/MWh from $79/MWh. The delivery

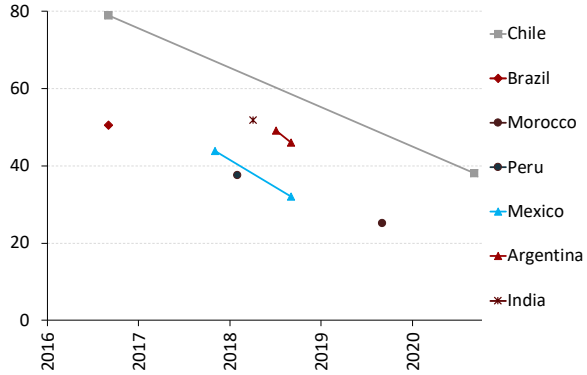
dates for these two prices are four years apart, partially explaining the dramatic drop in price, equivalent to an annualized decrease of 17%.

Auctions across the globe continue to bring wind power prices down, with turbine suppliers seeing pressure on margins. Price pressure in the onshore wind sector is not as intense as in the solar sector – there are fewer manufacturers, the technology is broadly competitive today and policy remaining broadly supportive. However further research and development spending to improve efficiency and lower costs will as with all industries be critical in allowing all in the value chain to maintain margins. The larger question remains whether Chinese manufacturers will gain the trust of developers outside of China.

Corporates continue to provide purchase power agreements (PPAs) to renewable energy projects, predominantly wind. The US market was historically driven in part by large corporations signing PPAs, and we are beginning to see the same thing happen in Europe, reducing the importance of the utilities. We believe this trend will continue and support unsubsidized installations.

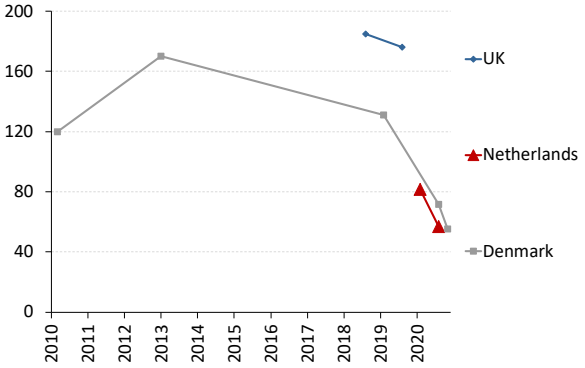
Wind LCOE developments

Onshore wind bids by delivery date ($/MWh)



Source: Bloomberg, Guinness Asset Management

Offshore wind bids by delivery date ($/MWh)



Source: UK government, Government of the Netherlands, Windpower Monthly, Vattenfall, Guinness Asset Management

Note: Projects have not been standardised for plant lifetime or financing cost and so values may not necessarily be directly comparable.

Offshore wind updates

Germany is set to tender offshore wind power contracts for developed projects in April 2017 and 2018 totaling 3.1GW. These offshore wind plants would have to be grid connected and ready to deliver power, depending on their location, between 2021 and 2025. Although the industry recorded very low bids in Dutch and Danish waters, we expect these new German contracts to be more expensive. The power industry will watch closely as offshore wind has come down in price significantly in the last year, but lags onshore wind and solar significantly.

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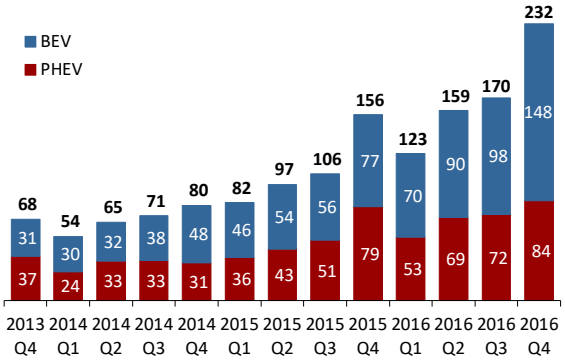
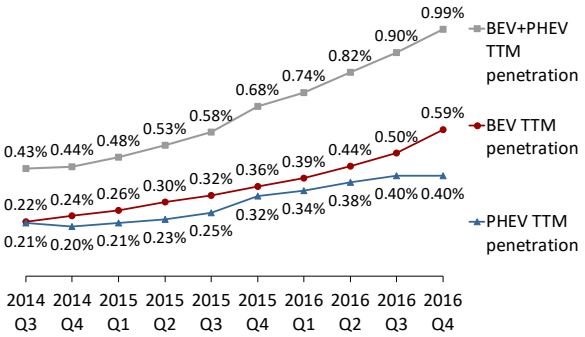
Electric Vehicles

Quarterly plug-in vehicle sales in selected countries (thousands)



Source: Bloomberg, Cleantechnica

Trailing 12-month plug-in vehicle penetration of new car sales in selected countries (%)



Source: Bloomberg. Note: TTM means trailing twelve months. Total EV sales across selected countries divided by total car sales in these countries show the penetration above.

Note: Selected countries include Austria, Belgium, Canada, China, Denmark, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, UK and USA. These countries were chosen for data availability and represent three-quarters of all car sales globally.

Electric vehicles (EVs) continued to show robust growth in 2016. Compound quarterly growth rate is 10.8% between Q4 2013 and Q4 2016, translating to a 50.5% compound annual growth rate.

The graph on the right shows the TTM market share of EVs in new car sales in the selected countries. The market share has been consistently growing for the last two and a half years. As has been the case for the duration of the graph, Norway has the highest market share of EVs among new car sales, with preliminary Q1 2017 numbers showing a record 35%, up from 29% in Q4 2016 and 30% in Q3 2016. The exceptionally high market share in Norway is due to effective tax breaks and benefits to EV owners along with a relative expansive charging network. Two other countries had double-digit market share for electric vehicles: Netherlands at 15.1% and Iceland at 11.2%. In the Netherlands, the PHEV subsidies run until year end, explaining why the fourth quarter of the year has shown strong market share for electric vehicles both in Q4 2015 and 2016. In Iceland, Q4 2016 was the first quarter ever that the EV market share was at double digits.

The fourth quarter saw the release of the new Renault Zoe with 250 miles of driving range on a single charge under ideal conditions, falling to 186 miles in real life driving conditions. The Chevrolet Bolt and the Tesla Model 3 will be released in 2017.

These EV models are set to be the first batch of affordable, long-range models coming to market at a $30,000 price point. Preliminary numbers for Q1 2017 show that in countries where the new Renault Zoe has been released, it has been the one of the most popular electric vehicle models.

Portfolio changes

We sold SolarEdge, a US microinverter manufacturer due to pricing concerns. We replaced the holding with Prysmian, an Italian cable company in the energy (including renewable energy)

and high-voltage transmission sector. We expect Prysmian to benefit from increased grid build-out due to renewable energy increases globally. We have reduced our holdings is some of our illiquid holdings and have purchased a position in Kingspan, an Ireland-based global insulation material supplier. Kingspan is well positioned to benefit from new buildings requiring increased energy efficiency performance globally.

Fund Performance (Q1 2017)

The Guinness Atkinson Alternative Energy Fund was up 4.78% for the first quarter of 2017. This compared to an increase in the Wilderhill Clean Energy Index of 8.99%, an increase in the Wilderhill New Energy Global Innovation Index of 6.44% and an increase in the MSCI World Index of 6.53%.

Total Returns as of 31/03/17

Total returns	Q1 2017	YTD 2017	CY 2016	1 year	5 year	10 year	From launch (31/03/06)
Guinness Atkinson Alternative Energy Fund	4.78%	4.78%	-17.16%	-6.07%	-3.00%	-13.71%	-12.15%
Wilderhill New Energy Index	6.44%	6.44%	-6.43%	4.52%	6.55%	-5.20%	-2.66%
Wilderhill Clean Energy Index	8.99%	8.99%	-22.12%	-0.13%	-5.60%	-13.91%	-13.77%
MSCI World Index	6.53%	6.53%	8.19%	15.45%	6.15%	10.03%	10.03%

Calendar year returns	2012	2013	2014	2015	2016
Guinness Atkinson Alternative Energy Fund	-15.20%	61.54%	-14.29%	-11.40%	-17.16%
Wilderhill New Energy Index	-4.14%	55.70%	-2.16%	1.51%	-6.43%
Wilderhill Clean Energy Index	-17.37%	58.54%	-16.93%	-10.36%	-22.12%
MSCI World Index	16.56%	27.43%	5.58%	-0.28%	8.19%

CY = Calendar Year

Expense Ratio: 1.99% (net); 2.60% (gross)

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

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

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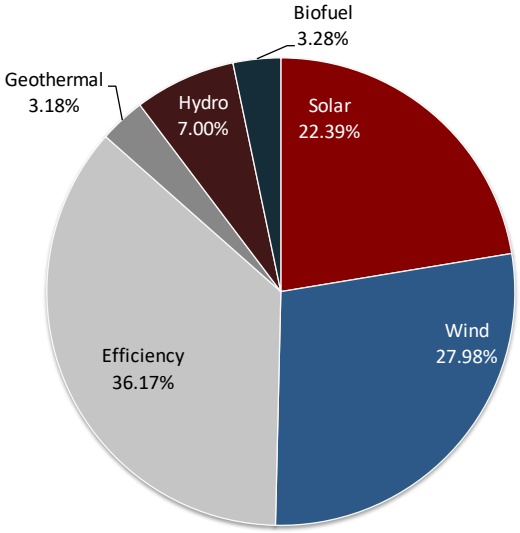
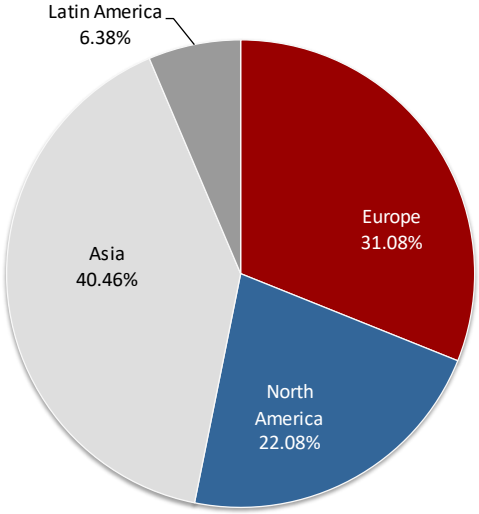
The Advisor has contractually agreed to reduce its fees and/or pay Fund expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, dividends on short positions and extraordinary expenses) in order to limit the Fund's Total Annual Operating Expenses to 1.98% through June 30, 2017. To the extent that the Advisor waives its fees and/or 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 1.98% expense cap in place at the time recoupment is sought, which cannot exceed the expense cap at the time of the waiver. The expense limitation agreement may be terminated by the Board of the Fund at any time without penalty upon 60 days' notice.

Fund Holdings

Sector breakdown



Domicile breakdown



Top 10 Holdings as of March 31, 2017

JA Solar Holdings Co Ltd - ADR	4.48%
Inbre SpA	3.90%
Senvion SA	3.87%
Boralax Inc – A Shares	3.62%
Centrotec Sustainable AG	3.56%
Sensata Technologies Holding	3.48%
Concord New Energy	3.47%
JinkoSolar Holding Co Ltd – ADR	3.45%
Johnson Controls International PLC	3.44%
Prysmian SpA	3.43%

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GUINNESS ATKINSON FUNDS

Edward Guinness and Samira Rudig *April 2017*

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

Opinions expressed are subject to change, are not guaranteed and should not be considered investment advice.

This information is authorized for use when preceded or accompanied by a prospectus for the Guinness Atkinson Alternative 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 will involve greater volatility and political, economic and currency risks and difference in accounting methods. The risks are greater for investments in emerging markets. The Fund is non-diversified meaning its assets may be concentrated in fewer individual holdings than diversified funds. Therefore, the Fund is more exposed to individual stock volatility than diversified funds. The Fund also invests in smaller companies, which will involve additional risks such as limited liquidity and greater volatility. Current and future portfolio holdings are subject to risk. The Fund's focus on the energy sector to the exclusion of other sectors exposes the Fund to greater market risk and potential monetary losses than if the Fund's assets were diversified among various sectors.

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

The MSCI World Index (MXWO) is a capitalization weighted index that monitors the performance of stocks from around the world.

One cannot invest directly in an index.

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