
May in Review

May was far from a quiet month. There were elections, cyber-attacks, terrorist attacks and a deepening crisis relating to the Trump-Russian election interference allegations. The worldwide financial markets, throughout all this, largely stayed buoyant.

In Europe, May began with a decisive victory by Emmanuel Macron, beating Marine Le Pen, to become the youngest leader of France since Napoleon. This was expected by pollsters, financial markets and the betting markets alike. Political uncertainty has largely receded since the beginning of the year. This was further bolstered by a surprise win by Chancellor Angela Merkel's conservatives in a regional election in Germany's most populous region. This is a significant vote of confidence ahead of Germany's national elections in September.

President Trump fired F.B.I. Director James Comey, this caused significant worries over political interference into the criminal investigation into whether Mr. Trump's advisors colluded with the Russian government to influence the 2016 election. Speculation was not helped by the untimely hosting of the Russian Foreign Minister the same week. To further exacerbate the situation, Trump was accused of revealing highly classified intelligence to Russia, straining a crucial intelligence-sharing relationship with the ally who provided the intelligence. A special counsel has been appointed to investigate links between his presidential campaign aides and Russian officials.

The so-called Trump trade which has dominated the US markets since the election has arguably turned into the Trump fade. The US dollar has given up all the gains made after the election as hopes of Trump rapidly passing policies that would benefit the US economy, have largely receded. At the turning of month end, Trump withdrew the US from the Paris climate accord, despite the pleas of allied nations. This occurred one week after Mr Trump faced intense pressure at the G7 summit in Italy to remain a signatory to the Paris accord. The US joins a limited club as one of three nations opposed to the global effort to combat climate change.

In Asia, China and the US agreed to a 10-point trade package designed to refresh trade relationships between the two countries. US credit rating agencies and credit card companies will be allowed access to the Chinese market, along with the revival of US beef imports. China's President Xi Jinping also held host to 29 national leaders for the "New Silk Road" summit, which Chinese officials argue is focused on mutual economic development rather than enhancing Beijing's geopolitical power. Some of China's neighbors have voiced concerns that this scheme will undermine other regional integration initiatives.

Market Movements

May saw defensive stocks outperform cyclical stocks on average. The sectors with the strongest performance this month were Utilities, Consumer Staples and Information Technology. Energy was yet again the worst performing sector this month. Our current underweight to Energy and Financials benefitted the fund's performance. Our overweight to Information Technology was a positive for the fund.

Europe started the month strong, but Asia Pacific rallied consistently throughout and outperformed both Europe and North America. Large and mid-caps rallied, doing better than small-caps.

In May, we saw the trade weighted EUR up +3.2% and CAD up +1.1%. The GBP was down 0.5%. USD fell the most last month with -1.5%.

Portfolio update

Individual stock performance in the month largely followed the above market movements, however below are highlighted key idiosyncratic stock movements throughout the month.

Nvidia (+38.5% total return in USD) has seen strong demand from supplying processors to the Nintendo Switch games console. Strong growth continues in its datacentres and auto business segments. WisdomTree (+15.0% total return in USD) an ETF provider, has seen improved performance over May with strong net flows expected for 2Q17. Applied Materials (+13.2% total return in USD), the supplier of equipment and services for the manufacturing of semiconductor chips, has seen a positive earnings announcement and a raise in guidance. Cognizant Technology (+11.4% total return in USD), an American software development company, has seen growth in revenue and increases in ROE last quarter.

AAC Technologies (-27.8% total return in USD), the Chinese acoustic component manufacturer for smartphones, was subject to accusations by a short seller of undisclosed related-party transactions. AAC have subsequently refuted all allegations, calling the short seller report “groundless, false or misleading” after an internal review conducted by the company and review of findings by an external reviewer. In the defense of AAC Technologies, another research provider has accused the short seller of being “misleading”. The company’s shares were suspended from trading on 18th May but resumed trading on 7th June. Cisco Systems (-7.5% total return in USD) has seen slowing growth within their core switch and router business. The company is investing in higher-growth segments such as wireless, collaborations, security and analytics, as well as Internet of Things. Gilead Sciences (-5.3% total return in USD) has suffered from faltering revenues within their Hep C franchise. Higher sales growth could be achieved from Gilead’s HIV combo franchise, this however is dependent on regulatory approval.

We made no changes to the portfolio in May.

Thank you for your continued support.

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Guinness Atkinson
Global Innovators Fund Update
 June 2017



Performance

In May, the Guinness Atkinson Global Innovators Fund produced a total return of 3.31% (investor class) versus the MSCI World Index return of 2.19%. The fund therefore outperformed the index by 1.12%.

as of 05.31.2017 (in USD)	YTD	1 year	3 years annualized	5 years annualized	10 years annualized	Since inception annualized
Global Innovators, Investor Class ¹	16.02%	26.45%	9.15%	18.03%	8.34%	7.63%
Global Innovators, Institutional Class ²	16.14%	26.80%	9.29%	18.11%	8.38%	7.66%
MSCI World Index	10.55%	17.12%	6.36%	13.09%	4.48%	5.58%

as of 03.31.2017 (in USD)	YTD	1 year	3 years annualized	5 years annualized	10 years annualized	Since inception annualized
Global Innovators, Investor Class ¹	9.28%	20.25%	8.33%	14.04%	9.01%	7.36%
Global Innovators, Institutional Class ²	9.32%	20.54%	8.44%	14.12%	9.04%	7.37%
MSCI World Index	6.53%	15.45%	6.15%	10.03%	4.85%	5.42%

Investor class (IWIRX) Inception 12.15.1998

Expense ratio* 1.24% (net); 1.35% (gross)

Institutional class (GINNX) Inception 12.31.2015

Expense ratio* 0.99% (net); 1.38% (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> or call (800) 915-6566.

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 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, 2018. 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.

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

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 05/31/17, are:

1. New Oriental Education & Technology Group	4.45%
2. Applied Materials Inc	4.16%
3. NVIDIA Corp	3.80%
4. Cognizant Technology Solutions	3.79%
5. Samsung Electronics Co Ltd	3.78%
6. PayPal Holdings Inc	3.75%
7. Check Point Software Technologies Ltd	3.69%
8. SAP SE	3.61%
9. Boeing Co/The	3.61%
10. Infineon Technologies AG	3.49%

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

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

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus with this and other information about the Fund, please call 800-915-6566 or visiting https://www.gafunds.com/resource-insight-center/#tab_fundinfo. 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.

One cannot invest directly in an index.

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