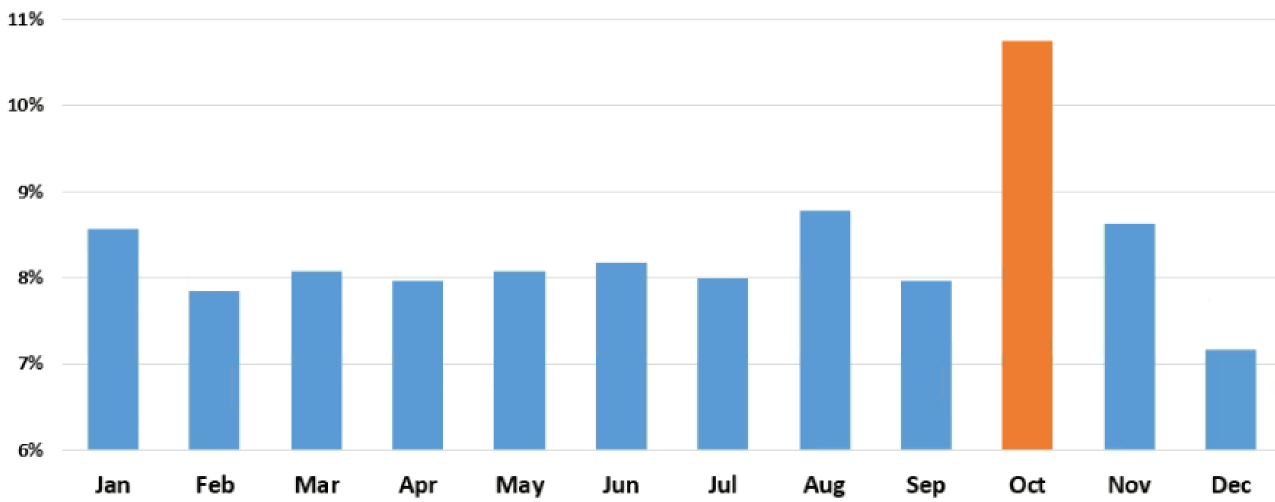
October in Review

"October. This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August, and February."

Mark Twain, Pudd'nhead Wilson (1894)

As Halloween passed by and October came to a close, the month certainly succeeded in spooking some investors. The month has historically been the most volatile; the S&P 500 Index on average registers more daily moves of at least 1% in October than in any other month:

Distribution of daily S&P 500 Index moves of 1% or more since 1950



Source: Bloomberg. As of October 31, 2018.
Past performance data quoted represents past performance and does not guarantee future results.

Some of the biggest market crashes have also happened in October. The 1929 crash took place in October, as did the one in 1987, which saw the S&P 500 lose more than 20% of its value in one day. The 2008 financial crisis' biggest sell-offs also occurred in the month.

Quite fittingly then, October 2018 was the worst month for global equities this year, and in fact the worst since May 2012:

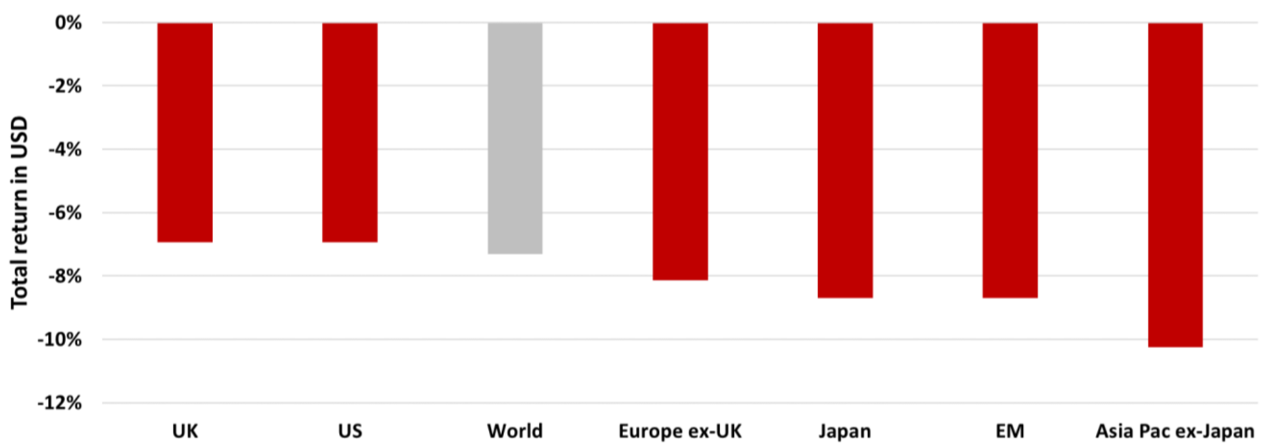
MSCI World 10 worst monthly performances of the last decade

Rank	Date	MSCI World Total Return Monthly Change
1	October 31, 2008	-19.0%
2	September 30, 2008	-12.1%
3	February 28, 2009	-10.5%
4	May 31, 2010	-9.9%
5	May 31, 2012	-9.0%
6	September 30, 2011	-8.8%
7	January 31, 2009	-8.8%
8	June 30, 2008	-8.1%
9	January 31, 2008	-7.7%
10	October 31, 2018	-7.4%

Source: Bloomberg. Total Return in USD. As of October 31, 2018.

As seen below, all regions saw negative performance, with the UK and US faring best and Asia Pac ex Japan doing worst.

MSCI World Index regional indices performance: September 30 – October 31, 2018



Source: Bloomberg. As of October 31, 2018.

Although there was no specific catalyst for the sudden set-back, equity markets seemed to have grown increasingly sensitive to economic, corporate and geopolitical risks. Continuous trade tensions, some disappointing earnings from the 'big tech' darlings, and a rising interest rate environment all contributed to unsettled markets and fears rose regarding the pace of economic slowdown that could be seen in 2019.

In the US there were doubts over the continued strength of corporate earnings and the outcome of the mid-term elections being held in November, while a strong Dollar maintained the pressure in Emerging Markets. Quarter three reporting season has been characterized by investors shrugging off positive earnings announcements citing worries that earnings and profits may have peaked.

74% of the S&P 500 companies have reported so far (till end of October) *(source: Bloomberg)*:

- 78% of these companies have reported higher actual earnings-per-share (EPS) compared to analyst estimates, with an average "beat" of 6.8%. Both figures are above the 5-year average.
- 61% of companies have reported higher sales compared to estimates, with an average "beat" of 1.0%. Both figures here are also above the 5-year average.
- Companies that have reported positive earnings surprises have seen an average price decrease of -1.5% for the period from two days before the earnings release through two days after. The 5-year average stands at an increase of +1.0%.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) year-over-year earnings growth rate for the third quarter was 24.9% as of 10/31/2018, which is above the estimate of 19.3% at the end of last quarter. If 24.9% is the actual growth rate for Q3, it would mark the second highest earnings growth since Q3 2010.

Despite this, the S&P 500 Index closed higher only 6 days this month, and for the first 30 days there were no back-to-back gains. The VIX Index (gauge of volatility) shot upwards after a subdued 6 months, and although its level stayed below its February peak, the futures contracts tied to the Index point to a greater expected persistence of volatility for the next 3 months at least.

However, looking past market noise, economic releases continue to be strong. The initial estimates for third-quarter US GDP came in at 3.5% quarter-on-quarter growth, beating consensus expectations. US consumer spending was a significant driver of the strong GDP reading, though net exports were a drag, with businesses likely to have brought forward imports ahead of scheduled tariff increases. The US unemployment rate for September fell to 3.7% – the lowest in almost 50 years – and this has supported consumer confidence, which remains close to record highs.

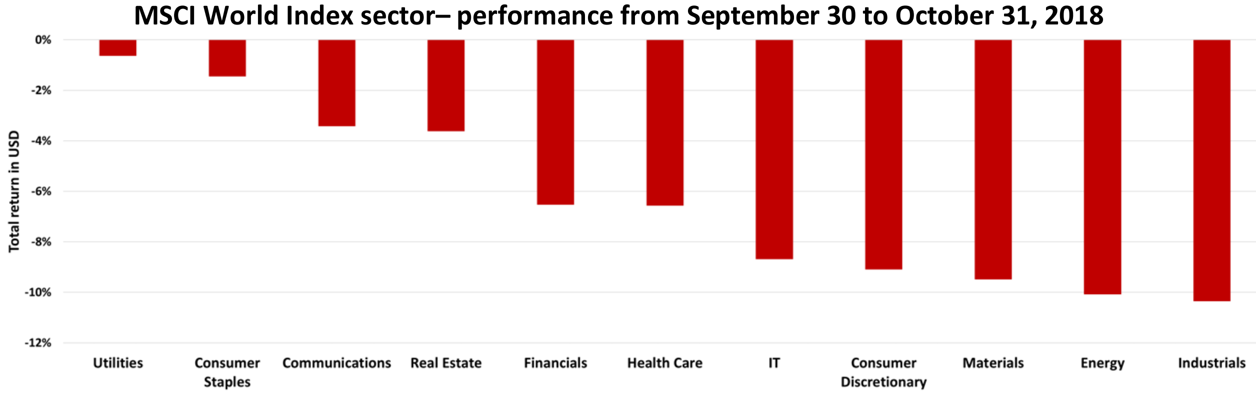
Tariff tensions, alongside the intentional shift from Chinese authorities to slow the pace of credit growth, have also contributed to a slowdown in China. GDP growth recorded 6.5% (year on year) for the third quarter and this was marginally lower than consensus expectations, though still robust. Emerging markets more broadly have been hurt by the increase in yields in the US. While the US 10-year government bond yield has now come down from the highs of the month, the pace of the move through to 3.2% is a concern for those emerging markets with high dollar-denominated debts. This, coupled with the recent risk-off environment, led to weaker emerging markets and Asia equities, with both falling by more than 8% (in USD).

In the Eurozone, recent purchasing managers' indices (PMIs) continue to disappoint – the flash estimate for the composite PMI fell to 52.7 for October. Political concerns in Europe have also not dissipated. The Italian government submitted a budget plan to the European Commission that would see the 2019 deficit rise to 2.4% of GDP. The Commission rejected its proposal and has asked that revisions be made. Moody's downgraded Italy's sovereign debt by one notch but crucially the rating was not moved below investment grade. In Germany, pressure on Angela Merkel mounted further following election results in Hesse where each of the CDU and Socialists lost around 11% of the vote, prompting her to say that she will stand down as chairman of the CDU in December, and not seek re-election in 2021.

In the UK, Monetary Policy Committee (MPC) Governor, Mark Carney, noted that businesses were cautious right now due to the uncertainty around Brexit negotiations. The same can be said for the MPC themselves, who left interest rates on hold at 0.75%, despite noting wages were rising faster than expected, in fact at the fastest pace in almost a decade. It was also noted that there was pent up business investment demand, which could be unleashed in the event of a Brexit deal being reached. "Brexit Day" is scheduled to be March 29, 2019 – 5 months away.

Performance Drivers

MSCI World Index sector– performance from September 30 to October 31, 2018



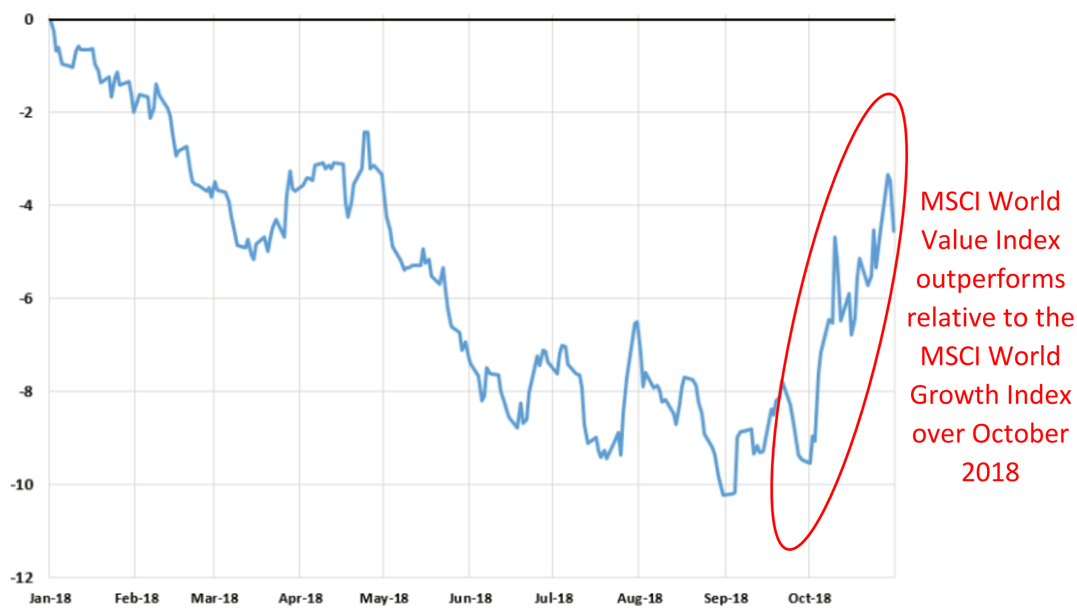
Source: Bloomberg. As of October 31, 2018.

Defensive sectors outperformed the Cyclicals over October, and the performance of the fund was particularly aided by our overweight allocation to Consumer Staples. After underperforming for much of the year, the sector had a very strong month (chart 2), as markets rewarded those stocks less vulnerable to a slowing economy. This coincided with the outperformance of Value versus Growth.

Relative Performance: MSCI World Consumer Staples Index – MSCI World Index

Source: Bloomberg. As of October 31, 2018.

Relative Performance: MSCI World Value Index – MSCI World Growth Index



Source: Bloomberg. As of October 31, 2018.

Upside in the quarter also came from good stock selection, particularly within the Financials sector. We hold no banks in the portfolio, which helped performance and our exposure comes from security exchanges (CME Group, Deutsche Boerse) and insurance (Arthur Gallagher, Aflac), which all performed well overall. Banks and Asset Managers notably underperformed due to cyclical concerns and contagion from rising bond yields.

The fund also benefitted from continuing to hold no positions in Materials, and only one position within the Energy sector. These sectors were amongst the worst performing in the month after oil prices fell following reports of rising oil supplies and a weakening demand outlook. The prior spike in oil price caused by US sanctions on Iran was almost reversed with Saudi Arabia pledging to increase production to cover any shortfall left by Iran.

In a rare occurrence, Utilities were the best performing over the month. Power companies had the best month relative to the market since 2001 – the sector rallied more than 3% in October and beat the S&P 500 by 12%. Such an outperformance has occurred only four times previously, all surrounding market crashes. Although the fund has zero exposure to the sector, the drag on active performance was minimal considering that Utilities make up only 3% of the MSCI World Index.

Drags on performance came largely from our overweight position in Industrials, which were the worst performing over the month. Third-quarter results of 3M and Caterpillar, two US industrial bellwethers, fed the concern that earnings have peaked. 3M cut its earnings forecasts and while Caterpillar's profits beat forecasts, its warnings of rising materials costs rattled investors. Trade tariff concerns also negatively affected the sector; US threats of imposing tariffs on effectively all Chinese imports is expected to have a knock-on effect on all global supply chains. The cyclical nature of industrial stocks makes them sensitive to the changing sentiment surrounding global growth.

Portfolio Update

We made no changes to the portfolio in the month.

In terms of individual holdings in October, the strongest performer in the fund was **CME Group** (+7.7% in USD). Return of volatility has been key for the world's leading derivatives exchange and October volumes trended 40% higher than the previous year. CME is well-positioned to achieve double-digit revenue growth in 2018-19 on the back of higher volatility, growing non-US participation, data-fee increases and a rising shift toward electronic options. Equity index volume will likely outstrip growth in other asset classes this year, given weak 2017 comparisons, though interest rates and energy contracts remain the key long-term drivers, supported by the unwinding of quantitative easing and rising US oil exports. CME is particularly well-placed to likely benefit from increased interest-rate hedging around FED rate hikes and rising U.S. oil exports thanks to its dominant FED Funds and WTI futures contracts. The company has largely opted to pursue an organic growth strategy, and this has meant low debt-to-equity at 10% with cashflow returns on investment increasing every year for the last five

Earlier in the year, CME was also rewarded by the market over its NEX bid. NEX Group, the financial technology firm, which provides electronic trading platforms, will be CME Group's largest overseas acquisition. The market sees the latest wave of consolidation in global exchange markets as positive for both companies, with the annual synergy of expenses expected to reach $200 million per year by 2021.

The acquisition allows the exchange to offer clients significant margin savings, as well as provide access to a large base of bank clients to whom it could market its core futures, options and data products. The deal also supports CME's international expansion plans, as 50% of NEX's revenue is generated outside of the US.

Procter & Gamble (+7.5% in USD) also performed well in October. The world's largest maker of consumer-packaged goods divides its business into five global segments: Beauty; Grooming; Health Care; Fabric Care and Home Care; and Baby, Feminine, and Family Care. Around 24 of P&G's brands are billion-dollar sellers, including Always, Braun, Crest, Fusion, Gillette, Head & Shoulders, Mach3, Olay, Oral-B, and Pantene, as well as Bounty, Charmin, Dawn, Downy, Gain, Pampers, and Tide. Even though P&G holds market-leading positions in several product categories, the company has been successful in focusing resources on roughly 40 best-selling brands. Best sellers are those that generate more than $500 million annually and represent around 85% of sales; brands that fall below this metric are typically sold off. Strong recent performance comes after earnings and sales releases beat analyst estimates; P&G saw sales volume and market share growth across numerous product categories in both the US and China, as well as e-commerce channels. Gross margins also seem to be somewhat protected from rising costs via significant pricing power and expected efficiency gains.

The market has also seen positives from one of P&G’s largest acquisitions in the last decade. In May 2018, it agreed to buy the Consumer Health unit of Merck KGaA for $4.2 billion. The purchase will add vitamins and supplements, including the Seven Seas brand, to P&G’s portfolio, as well as expanding its operations in Latin America and Asia. The new unit has added to both revenue growth and profitability.

The worst performing stock in October was **WPP** (-21.0% in USD), a position we have held in the portfolio since August 2015. After 18 months of good performance (+47% in USD till Q1 2017), the company has over the last year faced both internal and external challenges. The group, which until this month was the world’s largest advertising group (by market cap), has seen its stock market value fall after losses of three large, global clients: Ford, American Express and United Airlines, and after management announced lower sales guidance from -0.5% decline to -1.0% decline. WPP’s CEO, Mark Read, who was confirmed in charge in September, faces an uphill task in trying to steady the ship after the abrupt departure of founder and former CEO, Sir Martin Sorrell, earlier this year. Strategies underway seem to focus on merging advertising networks and selling lower growth parts of the business to become more streamline overall.

Further, the cashflow return on investment profile is high and has remained stable, operating margins are around 20%, the company has had positive sales growth every year since 2002 (including 2009), the dividend is well covered, and the balance sheet is strong. We are therefore minded to maintain our holding in the company at this stage, particularly given that market pessimism seems overdone: the company’s shares trade on a 1-year forward price-to-earnings multiple of 8.1x – almost 2 standard deviations below its 10-year average – and the current dividend yield is close to 7%. Looking at peers, the general advertising environment seems more positive than at the start of the year, and we look closely towards the December analyst day for further insights on progress and outlook for 2019.

We thank you for your continued support.

Performance

In October, the Guinness Atkinson Dividend Builder Fund produced a total return of -6.70% (in USD) versus the MSCI World Index return of -7.32% (in USD). The fund therefore outperformed the index by 0.67% in the month.

Year-to-date through 10/31/18, the fund has produced a total return of -2.05% (in USD) versus the MSCI World Index return of -1.85% (in USD). The fund has therefore underperformed the index by 0.20%.

Standardized Performance

as of 10/31/18	YTD	1 YR	3 YR	5 YR	10 YR	Since inception (3/30/12)
Dividend Builder Fund	-2.05%	2.46%	7.35%	6.05%	N/A	8.87%
MSCI World Index	-2.31%	1.16%	7.91%	6.80%	N/A	8.94%

as of 09/30/18	YTD	1 YR	3 YR	5 YR	10 YR	Since inception (3/30/12)
Dividend Builder Fund	4.99%	10.97%	12.37%	8.15%	N/A	10.16%
MSCI World Index	5.43%	11.24%	13.53%	9.28%	N/A	10.35%

All returns over 1 year annualized. Source: Bloomberg, Guinness Atkinson Asset Management
Expense Ratio: 0.68% (net); 2.06% (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/dividend-builder-fund/#fund_performance or call (800) 915-6566. Total returns reflect a fee waiver in effect and in the absence of this waiver, the total returns would be lower.

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 0.68% through June 30, 2019. 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 waives or absorbed, subject to the 0.68% expense cap.

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

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.

Mutual fund investing involves risk and loss of principal is possible. The Fund's strategy of investing in dividend-paying stocks involves the risk that such stocks may fall out of favor with investors and could reduce or eliminate the payment of dividends in the future or the anticipated acceleration of dividends could not occur. The Fund invests in foreign securities which will involve greater volatility and political, economic and currency risks and differences in accounting methods. This risk is greater in emerging markets. Medium- and small-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies.

Top Fund Holdings as of 10/31/2018:

1. Wal-Mart Stores Inc	3.36%
2. Nestle SA	3.19%
3. The Procter & Gamble Co	3.17%
4. Roche Holding AG	3.16%
5. Merck & Co Inc	3.14%
6. CME Group Inc	3.12%
7. Aflac Inc	3.01%
8. Illinois Tool Works Inc	3.00%
9. Reckitt Benckiser Group PLC	2.99%
10. Vodacom Group Ltd	2.98%

Current and future fund holdings and sector allocations are subject to change and risk and are not recommendations to buy or sell any security.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

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.

A cash flow return on investment (CFROI) is a valuation metric that acts as a proxy for a company's economic return.

Standard deviation is a statistical measure of the volatility of the fund's returns. In general, the higher the standard deviation, the greater the volatility of the return.

Dividend yield is calculated by annualizing the last quarterly dividend paid and dividing it by the current share price.

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

One cannot invest directly in an index. Distributed by Foreside Fund Services, LLC.