

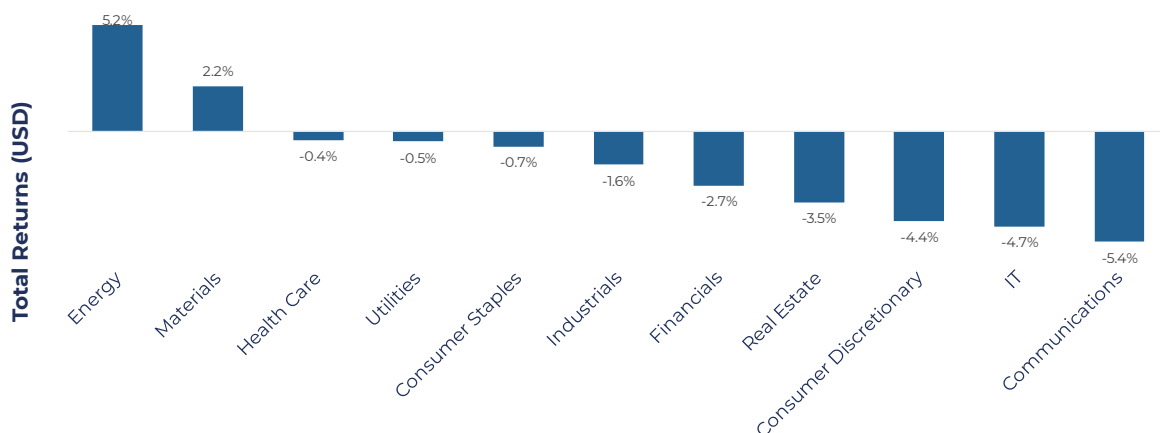
**Guinness Global Innovators Fund – Manager’s Update March 2022**

In February, global equity markets sold off as geopolitical tensions spiked amid Russia’s invasion of Ukraine. The move is a drastic escalation of what had been decades of tension, most recently arising from the annexation of the Ukrainian region Crimea by the Russia government in 2014. The invasion has subsequently led to mass sanctions on Russia and related parties across the globe.

The sanctions levied look to stunt Russia’s ability to compete on the world stage on varying fronts by limiting access to financing and technology in the long-term – not merely in the short-term. As a result of Russia’s invasion of Ukraine and subsequent sanctions, we have seen:

- **An immediate risk-off scenario in markets:** Equities are down sharply, with USD and Gold rallying.
- **This also led to value sectors outperforming growth over the month** with Communications, IT, and Consumer Discretionary the worst performing sectors.
- **Energy stocks continued to rally** with Brent Crude oil reaching above \$100 a barrel for the first time since October 2014.
- **European equities were understandably hit hardest** given their closer trading links with Russia, **with European Banks the worst affected industry**
- **Higher energy costs will further fuel inflationary pressures** which central banks are already struggling to get under control. Central banks are put in an even more difficult situation trying to balance inflationary pressures with what now seems likely to be slower economic growth. However, it appears unlikely the Fed will deviate from its plan to raise rates in the coming months.

**MSCI World Sector Returns 01/31/22 – 02/28/22**



Source: Bloomberg, data as of 02/28/2022

**From the fund perspective:**

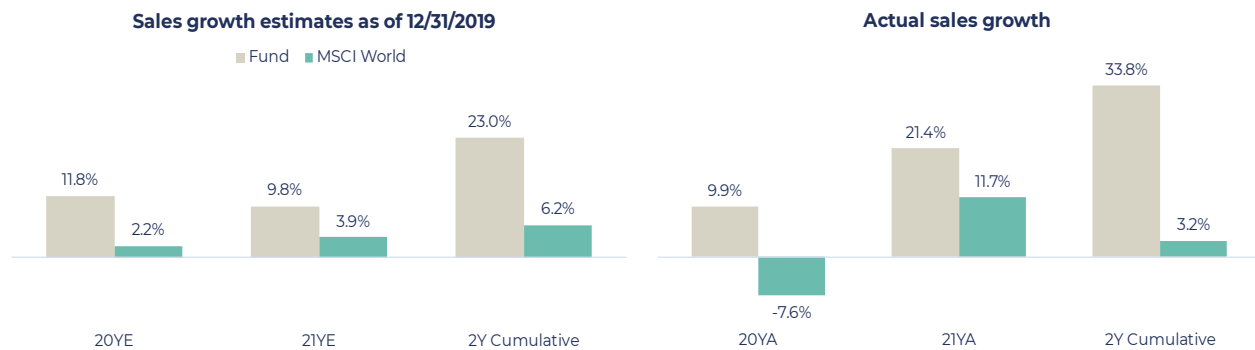
- In the Fund **we do not own any Russian or Ukrainian companies**, nor do we own any companies domiciled in Eastern Europe. We also **do not own any companies which generate a material portion of revenue from these countries**. The Fund's holdings have therefore, so far this year, been relatively protected against some of the intense drawdowns seen elsewhere in the market.
- We also do not own any Banks or Consumer Staples – sectors that have been negatively impacted by sanctions and the prospect of higher commodity (input costs).
- Further, as we have seen repeatedly since the launch of the Fund, **our focus on high quality and historically profitable businesses** means the underlying companies tend to have competitive moats and pricing power that enables the businesses to remain robust throughout uncertain periods. The businesses held within the fund have also been all **highly liquid** – we can liquidate 100% of the fund in 3 days if necessary.
- More broadly, **we do not currently see any immediate material threat to our companies' earnings**.
- Looking over the month, the Fund's lack of exposure to the Energy and Materials sectors (which were the best performing) proved to be a drag on performance whilst our overweight position to growth-orientated sectors, particularly IT, was also a drag. However, the fund's zero exposure to Banks and Russian/Ukrainian equities was a positive for the fund over the month.

**Portfolio growth in review:**

Although the COVID-19 pandemic had become somewhat more contained moving into February, with the UK, for example, removing all COVID-19 restrictions as part of the ‘Living with COVID’ plan, businesses still faced uncertainty as supply chain constraints persisted, and central banks rhetoric continued to move towards monetary tightening as part of measures to control decade high inflation.

And while the ongoing situation in Ukraine is an obvious additional threat to equity market stability, we continue to believe the fund’s underlying holdings are well positioned moving forward, underpinned by structural shifts in the economy. As outlined in previous commentaries, the COVID-19 pandemic has accelerated many innovations that were filtering their way into everyday lives. This was highlighted well by Microsoft CEO Satya Nadella in the early stages of the pandemic, claiming “*We’ve just seen two years’ worth of digital transformation in two months*”. Within the portfolio, by assessing the forecasted sales growth prior to the pandemic versus actual growth, we can see this thesis held true across the majority of the fund.

Indeed, going into the pandemic the average fund holding was expected to grow sales by 11.8% in 2020 and 9.8% in 2021 vs the MSCI World 2.2% and 3.9% respectively.



Source: Bloomberg, data as of 02/28/2022

However, with the pandemic accelerating many of the innovations that fund holdings are enabling or exposed to, the average fund holding resultingly grew *faster* than was initially forecasted. Fund holdings grew their sales on average by 9.9% in 2020 – a slight decrease vs estimates but remained firmly positive – and 21.4% in 2021. This resulted in a cumulative growth over the 2-year period of 33.8% vs the estimated 23.0% - a 10.8% *increase*. In contrast, however, the MSCI World experienced a large *contraction* (7.6%) in growth in 2020, and while it did rebound in 2021, the 2-year cumulative growth was only 3.2% vs the estimated 6.2% - a 3.0% *reduction*.

Moving forward, we foresee these shifts in technology and broader innovations continuing to change the way in which consumers and businesses operate and as such as believe investing in business exposed to innovative themes such as Clean Energy or Cloud Computing, puts the fund in good stead.

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With the evolution of the Russia – Ukraine conflict still uncertain, we continue to monitor the portfolio and its holdings closely whilst maintaining our approach of looking for high quality, innovative, growth businesses.

We thank you for your continued support.

**Portfolio Managers**

Matthew Page, CFA

Dr Ian Mortimer, CFA

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**Fund Summary**

For the month of February, the Guinness Atkinson Global Innovators Fund provided a total return of -6.17% (USD) against the MSCI World Index net total return of -2.53% (USD). Hence the fund underperformed the benchmark by 3.64% (USD).

as of 02.28.2022 (in USD)	1 year	3 years annualized	5 years annualized	10 years annualized
<b>Global Innovators, Investor Class<sup>1</sup></b>	2.93%	19.70%	15.82%	14.99%
<b>Global Innovators, Institutional Class<sup>2</sup></b>	3.20%	20.00%	16.11%	15.17%
<b>MSCI World Index NR</b>	10.74%	14.43%	12.05%	10.68%

as of 12.31.2021 (in USD)	1 year	3 years annualized	5 years annualized	10 years annualized
<b>Global Innovators, Investor Class<sup>1</sup></b>	21.52%	31.36%	20.51%	18.13%
<b>Global Innovators, Institutional Class<sup>2</sup></b>	21.86%	31.69%	20.81%	18.31%
<b>MSCI World Index NR</b>	21.82%	21.68%	15.01%	12.68%

All returns after 1 year annualized.

<sup>1</sup> Investor class (IWIRX) Inception 12.15.1998 Expense ratio\* 1.24%

<sup>2</sup> Institutional class (GINNX) Inception 12.31.2015 Expense ratio\* 0.99% (net); 1.07% (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).

*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.*

\*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 1.24% for the Investor class and 0.99% for the Institutional class through June 30, 2025. 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 2/28/2022:

1. Apple Inc	4.07%
2. Bristol-Myers Squibb Co	4.02%
3. Intercontinental Exchange Inc	3.85%
4. Microsoft Corp	3.69%
5. Mastercard Inc	3.60%
6. Applied Materials Inc	3.54%
7. ABB Ltd	3.54%
8. Amphenol Corp	3.52%
9. Cisco Systems Inc	3.52%
10. KLA-Tencor Corp	3.52%

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

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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