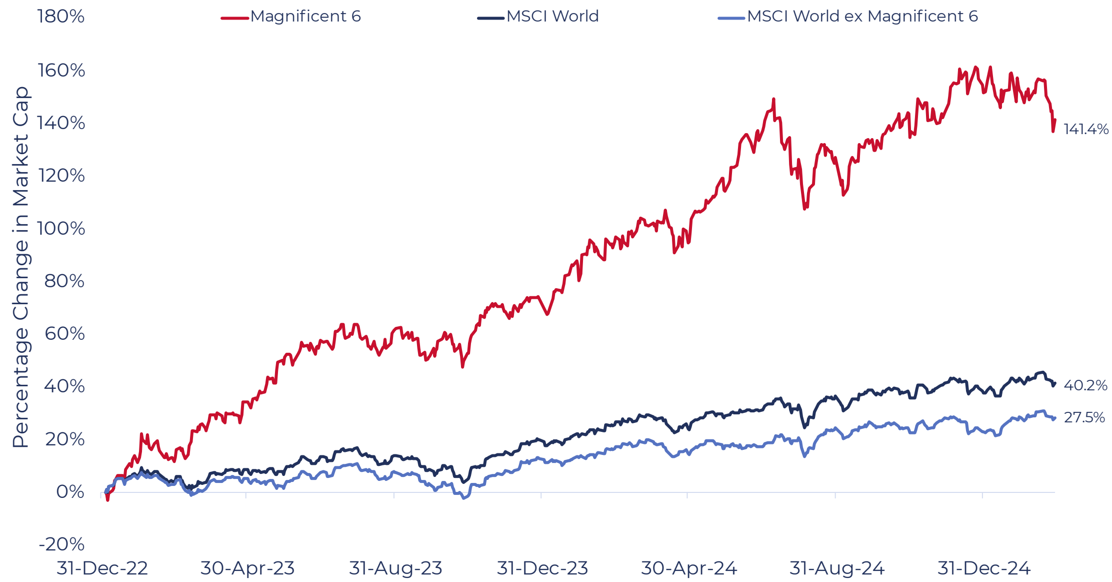
February in Review

Revisiting the Case for the 'Magnificent Six'

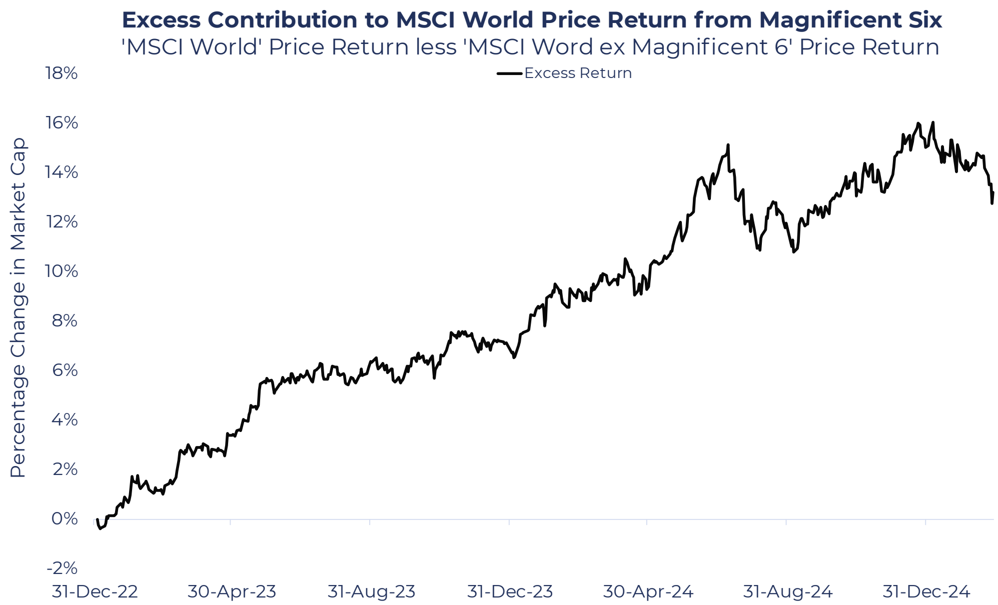
Within the Fund, we hold six of the 'Magnificent Seven': Apple, Amazon, Alphabet, Meta, Microsoft and Nvidia. We believe these are high-quality, growth stocks at attractive valuations. The sole 'Magnificent Seven' stock that we do not hold is Tesla, a company that we perceive as lower quality and with significant valuation risk. Since the end of 2022, the 'Magnificent Six' (the Magnificent Seven excluding Tesla) have seen stark outperformance relative to the MSCI World, contributing to around one-third of the MSCI World's increase in market capitalization over the period.

Price Return (Percentage Change in Market Cap)
December 31st 2022 – February 28th 2025



Source: Guinness Atkinson Asset Management, MSCI, Bloomberg

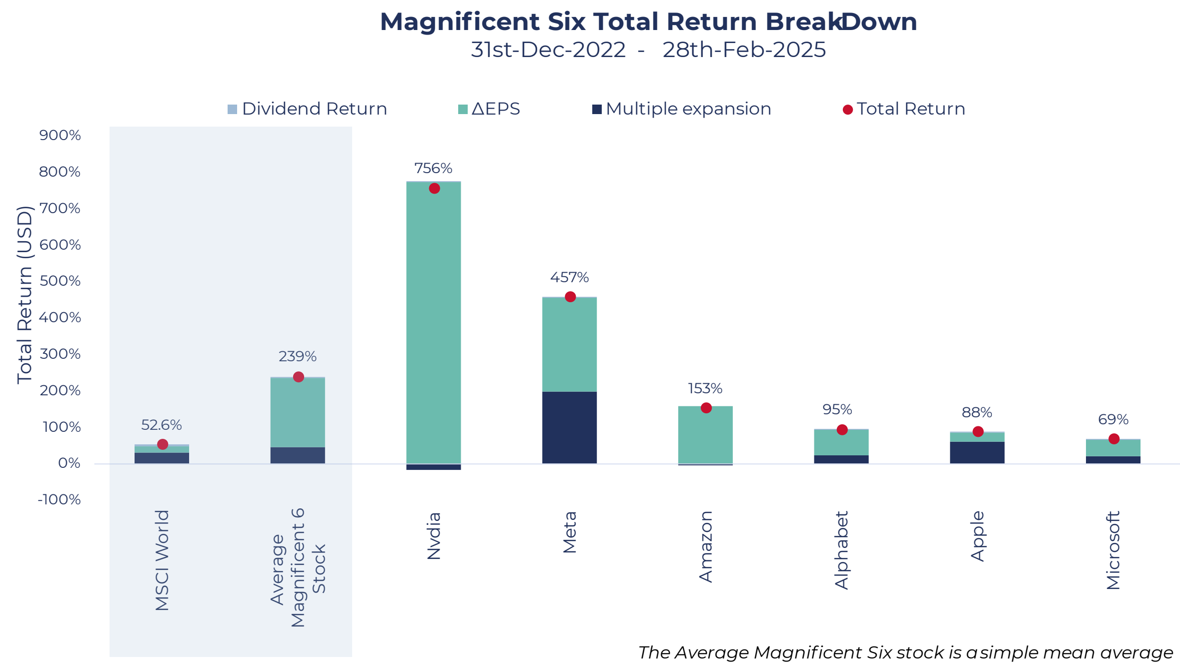
The chart below highlights the 'excess return' to Index price return that has been contributed by the Magnificent Six, since the end of 2022. Over the period, outperformance has been relatively consistent but since the beginning of 2025, this period of 'market leadership' has seemingly stalled. 'Five-of-the-six' stocks have delivered negative returns year-to-date, versus the MSCI World's 2.5% price return. Inevitably, many market participants have suggested that this is the 'end of an era' of Magnificent Seven dominance. Despite continued solid financial performance in company earnings, investor concerns around growth prospects and a further ramp up on datacenter/AI capex spend have been expressed along with familiar cries of elevated valuation risk. With such a significant run over the past two years, it is only natural for markets to question the sustainability of such outperformance, with valuation consistently cited as a reason against ownership. While outperformance versus the Index has been relatively consistent over the past couple of years, this is not the first time that markets have called the end of such dominance, with a period of underperformance also coming mid-way through last year – before these losses were eventually retrenched in the remainder of 2024.



Source: Guinness Atkinson Asset Management, MSCI, Bloomberg

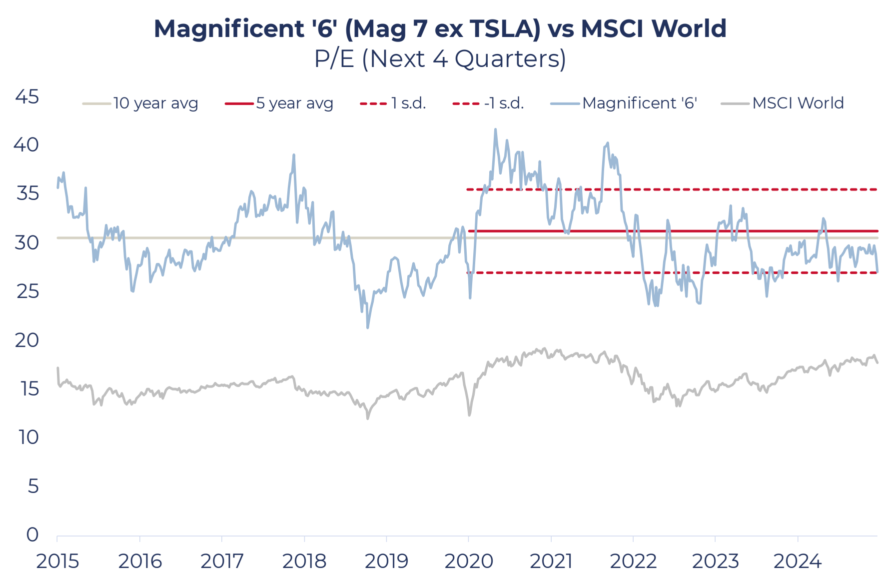
But are they really too expensive?

This period of outperformance has been driven predominantly by earnings growth, with valuation expansion playing a relatively minor role. The average (simple mean) Magnificent Six price return over the period was 239%. Of this, 192% came from expected earnings growth (1 yr blended forward), with a 45% contribution from multiple expansion (P/E 1 yr blended forward). Therefore, multiple expansion has contributed to just a fifth of Magnificent Six returns over the period. This is compared to the MSCI World Index, which saw multiple expansion of 31% accounting for nearly three-fifths of benchmark returns. If we exclude Nvidia, who had super-normal earnings growth over the period and thus skewed the earnings growth number upwards, only two-fifths of returns can be explained by multiple expansion. In fact, only two of the six saw multiple expansion at a rate ahead of the index – Apple and Meta. In both cases, we would argue that this is a result of both firms becoming fundamentally better companies over the period and thus be deserving of this multiple expansion. At the end of 2022, Apple was amidst a downturn in the smartphone market, but continued to see strength in Services, continually shifting their earnings mix towards this far higher quality earnings stream. Meta, on the other hand, has significantly improved cost discipline following a "Year of Efficiency" but has also seen improvements in customer engagement, resulting in a higher growth business with far higher margins and free cash flow (fcf) generation.



Source: Guinness Atkinson Asset Management, MSCI, Bloomberg

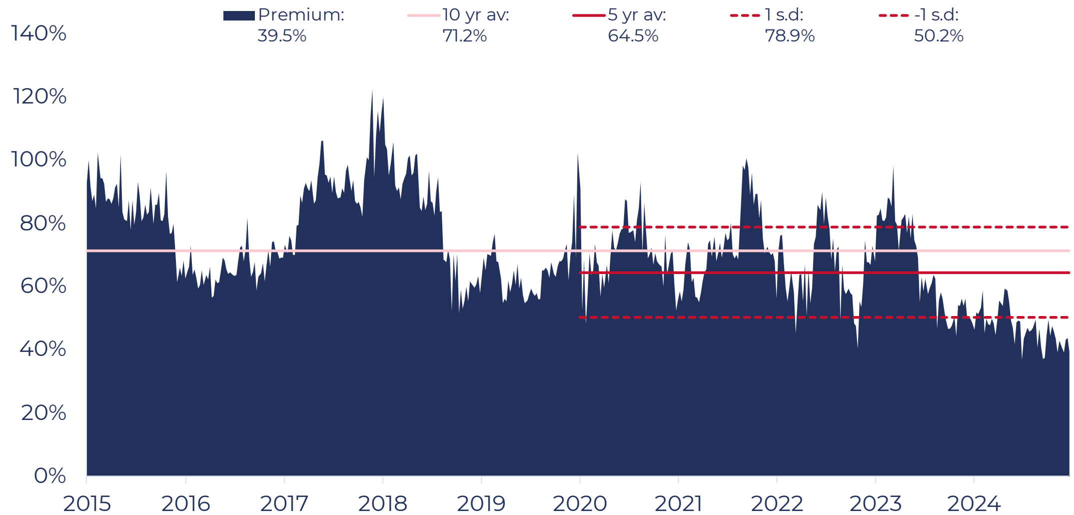
Taking a longer-term view and looking solely at valuation (P/E multiple 1 yr blended forward), the average (simple mean) Magnificent Six stock has a valuation that is around 1 standard deviation below long-term historical averages – an indication that these stocks may be at a discount relative to their own history.



Source: Guinness Atkinson Asset Management, MSCI, Bloomberg

Comparing this to the market, these stocks have typically traded at a significant premium to the market – between 65/71% on 5/10-year averages. Currently, these stocks are trading at a premium of 40%.

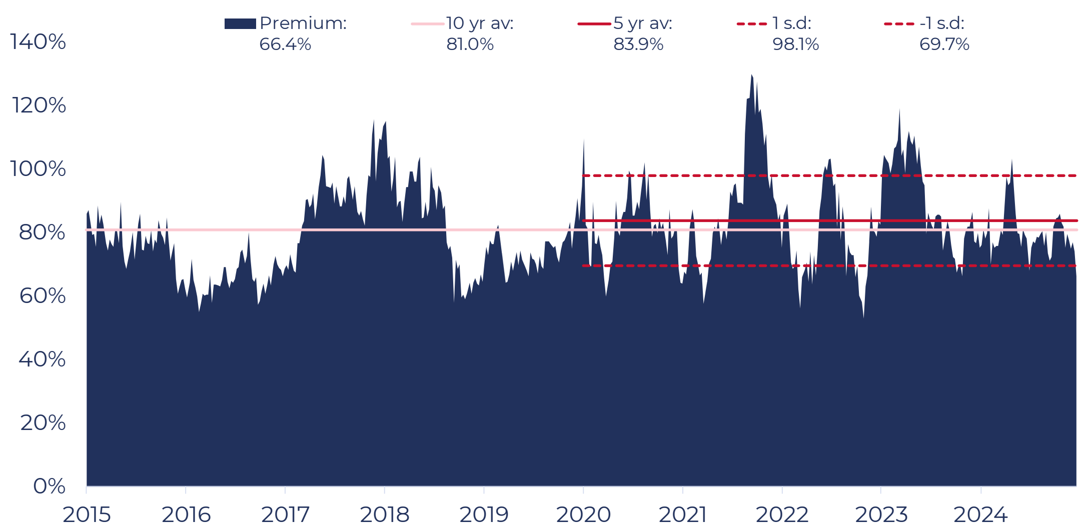
Magnificent '6' Premium vs MSCI World



Source: Guinness Atkinson Asset Management, MSCI, Bloomberg

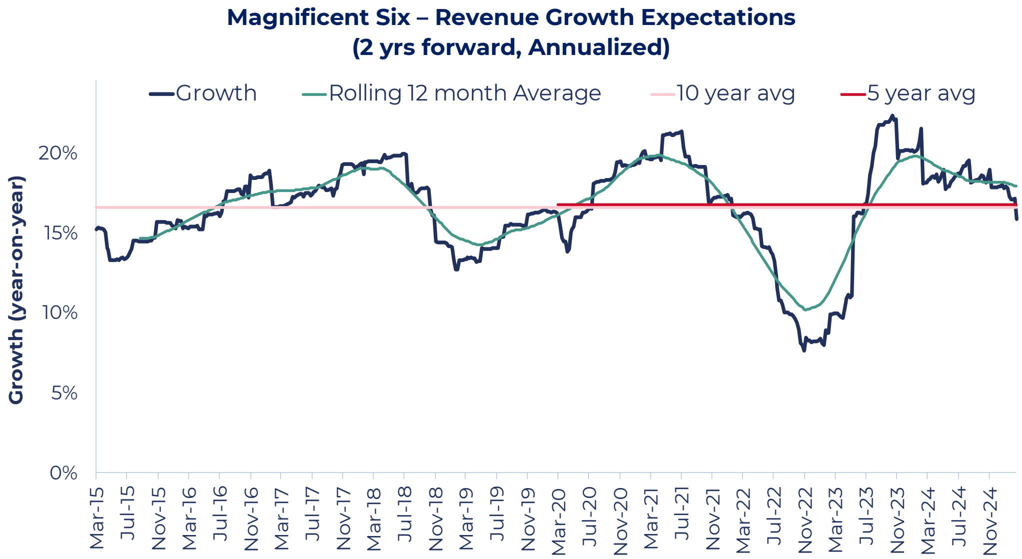
A fair argument at this point is that these companies are now accounting for a far greater weighting of the index than ever and will therefore be pulling up the index valuation too. Therefore, the premium to the market will naturally come down. We can adjust for size effects by observing the premium relative to the MSCI World Equally Weighted Index. Even in this case, the premium is a standard deviation below the long-term average.

Magnificent '6' Premium vs MSCI World Equally Weighted



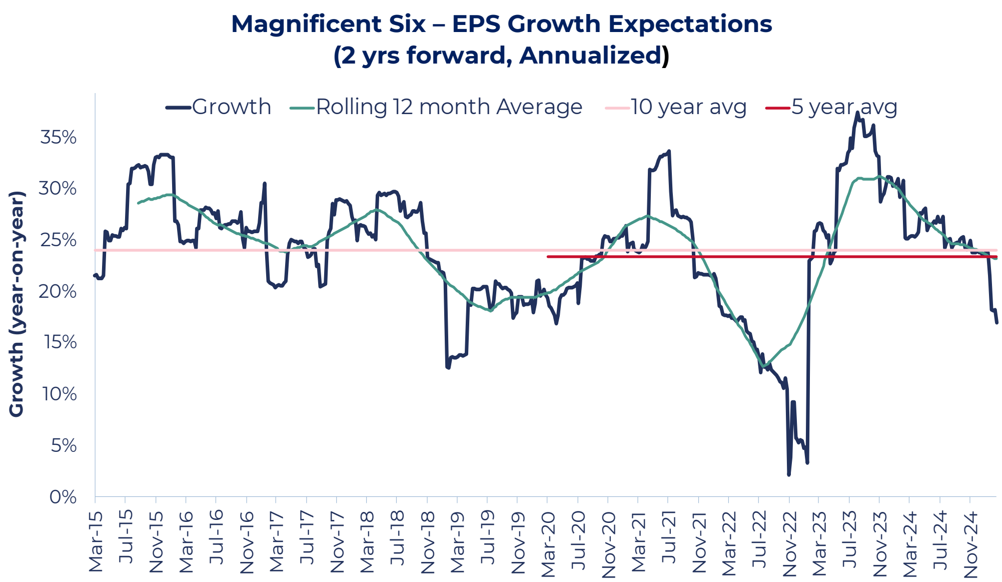
Source: Guinness Atkinson Asset Management, MSCI, Bloomberg

These stocks are no more expensive than they have been, on average, over the past 10 years, and are even slightly cheaper than they have been relative to the index. But perhaps the growth outlook of these businesses has diminished, and therefore concerns of elevated valuations may be justified? On average, we find that short-term growth expectations for these stocks are not much different from what they have been over the past 10 years (observing the long-term outlook requires a more qualitative approach, which we will take later). Expected sales growth (2 years blended forward) is relatively in-line with both 5- and 10-year averages.



Source: Guinness Atkinson Asset Management, Bloomberg
Rolling 12-month average is an average of 6 months back, 6 months forward.

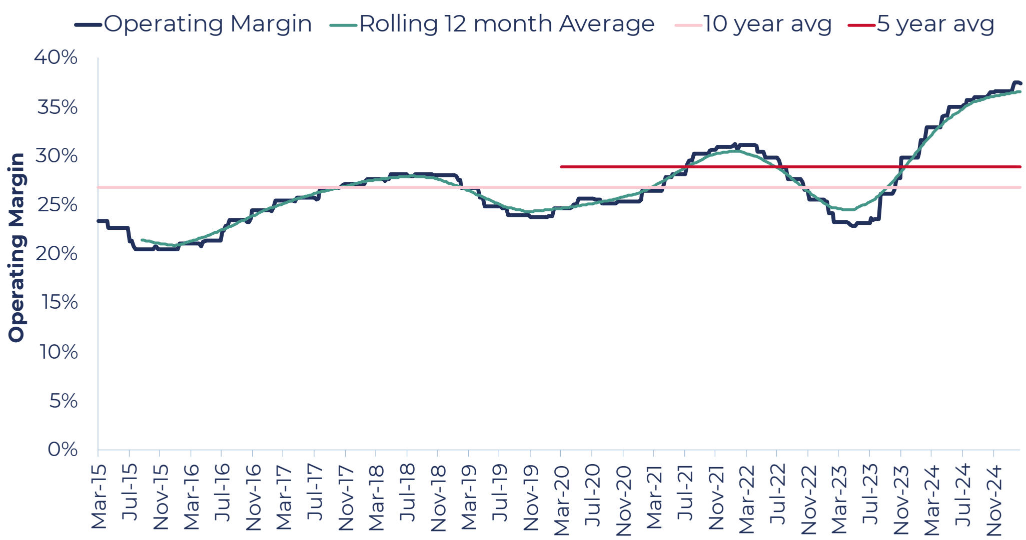
Granted, earnings per share (EPS) expectations have fallen significantly over the first few months of 2025, but are not wildly different from the average, and are more likely simply a result of 'noise' in the market rather than any fundamental shift in the investment thesis for these stocks. In fact, the 12-month average is exactly in line with the long-term average.



Source: Guinness Atkinson Asset Management, Bloomberg

Thus, valuations do not look out of line with history and growth expectations are relatively similar what we have seen over the past 10 years. Perhaps the underlying quality of these businesses has significantly diminished, and this would justify cries of overstretched valuation. We believe, however, that these firms are arguably far higher quality than at any point in the previous 10 years. Operating margins have been trending upwards and are now, on average, significantly ahead of long-run averages.

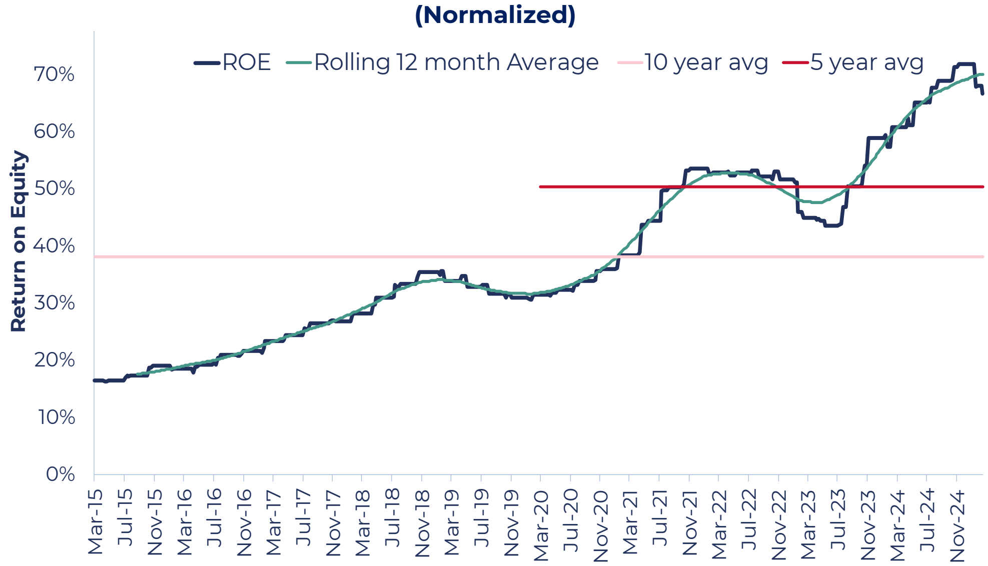
Magnificent Six – Average Operating Margin



Source: Guinness Atkinson Asset Management, Bloomberg

And return metrics have been trending upwards at an even faster rate.

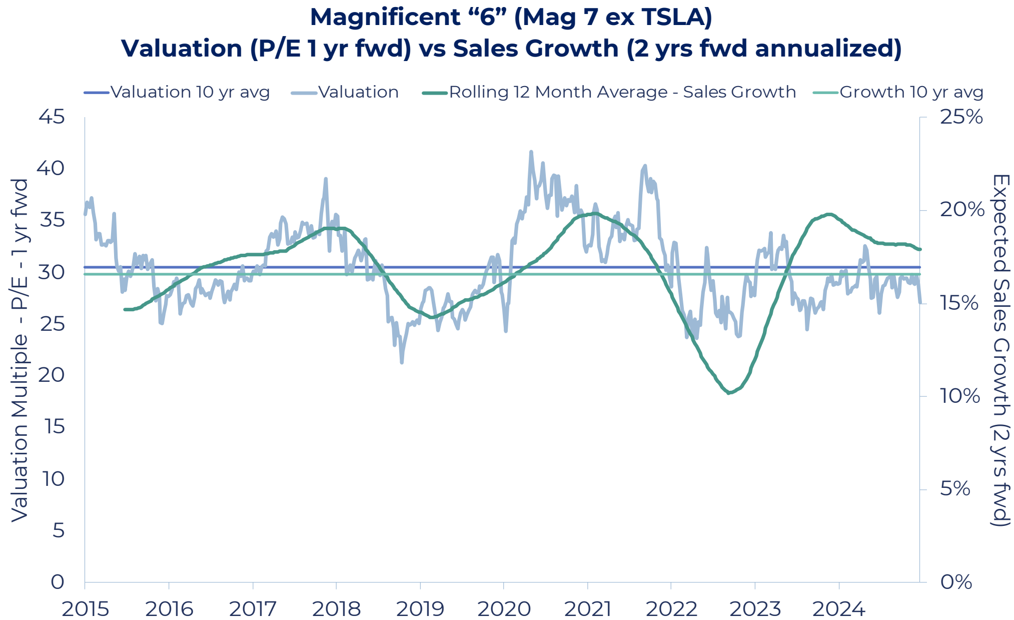
Magnificent Six – Average Return on Equity (ROE) (Normalized)



Source: Guinness Atkinson Asset Management, Bloomberg

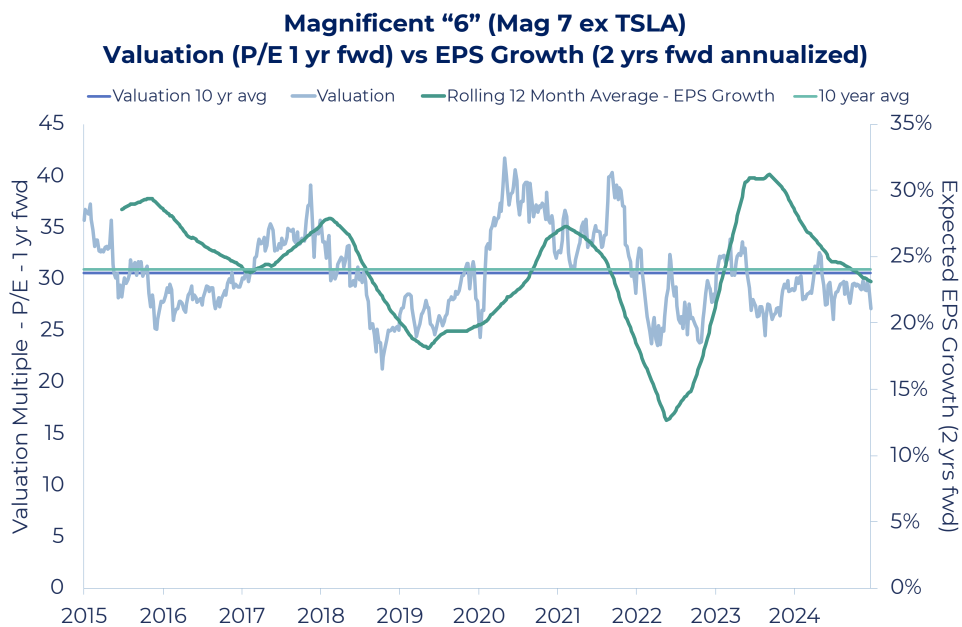
Plotting all these metrics versus valuation helps to bring the point home. We have used the 12-month rolling average to remove noise from the charts. While **valuation is below long run averages** (and at a similar premium to the index on an equally weighted basis):

- **Sales growth** (2 years forward, rolling 12-month average) **expectations are ahead of long-run averages.**



Source: Guinness Atkinson Asset Management, Bloomberg

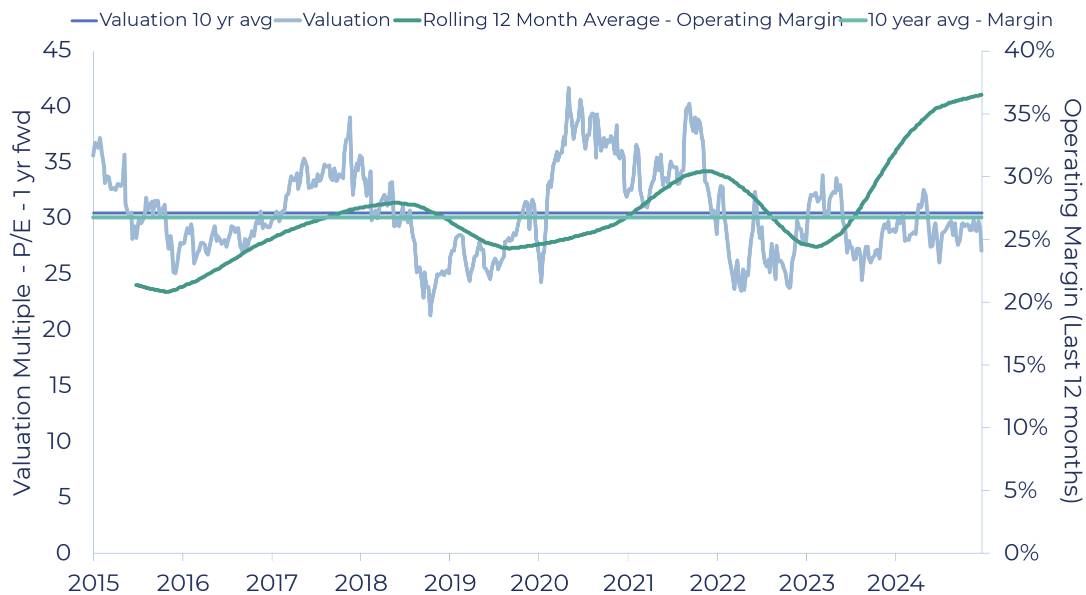
- **EPS growth expectations** (2 years forward, rolling 12-month average) **are in line.**



Source: Guinness Atkinson Asset Management, Bloomberg

- **Operating margins** (rolling 12-month average) **are significantly ahead of long-run averages…**

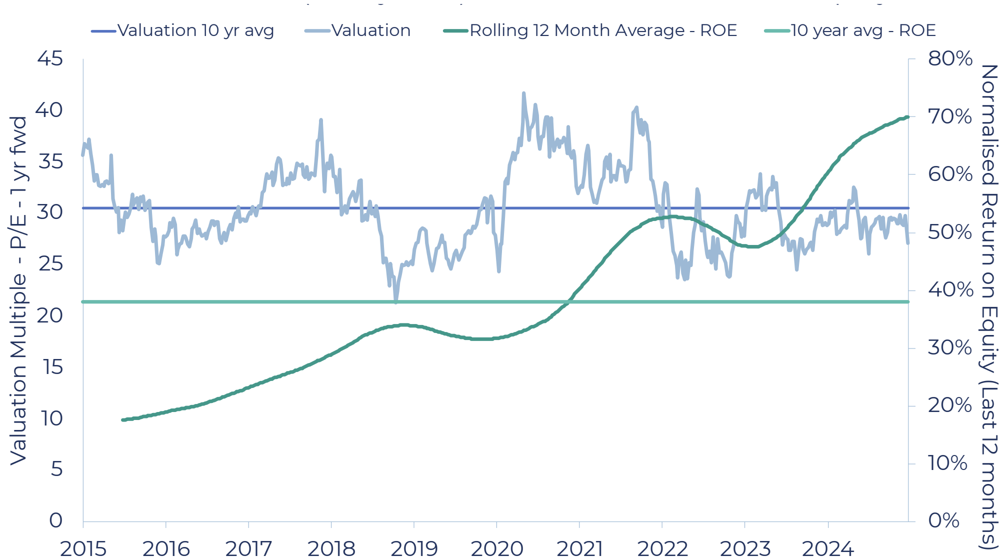
Magnificent "6" (Mag 7 ex TSLA)
Valuation (P/E 1 yr fwd) vs Operating Margin



Source: Guinness Atkinson Asset Management, Bloomberg

- **…and so is Return on Equity** (normalized, rolling 12-month average).

Magnificent "6" (Mag 7 ex TSLA)
Valuation (P/E 1 yr fwd) vs Normalized Return on Equity



Source: Guinness Atkinson Asset Management, Bloomberg

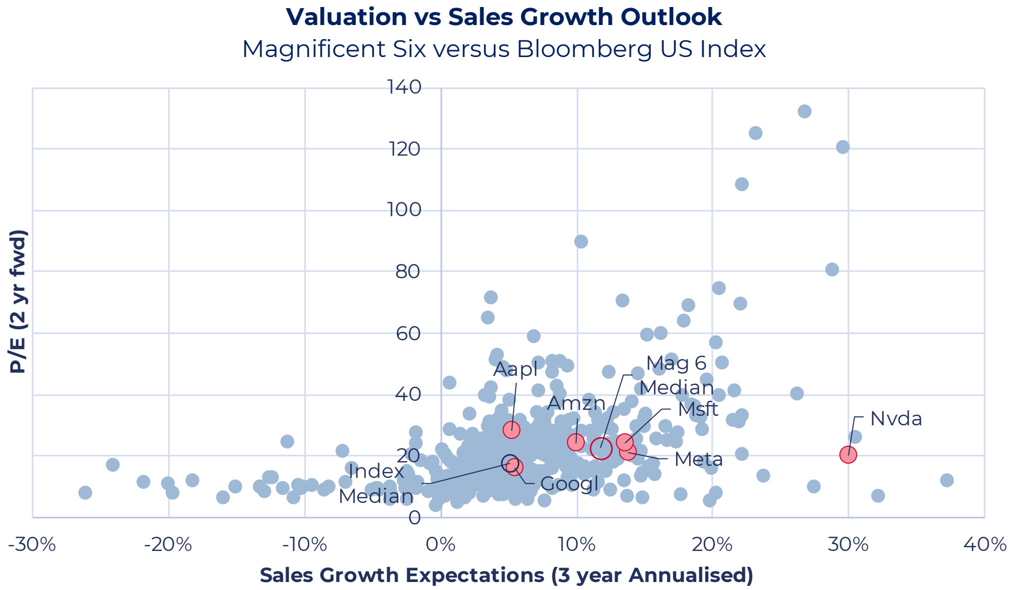
The Magnificent Six, on average, have a valuation that is 1 standard deviation below the long run average over the past 10 years, and have one of the smallest premiums *to the Index* in recent history. This is despite having a similar growth outlook to history, and far superior quality metrics. While markets may claim that the Magnificent 6 are overvalued, on a group level, we don't find much evidence to support this. We are unconcerned with short-term fluctuations in the growth outlook (although we will of course monitor them) given growth expectations are typically noisy, the long-term innovative history of these businesses to reignite the top-line, and the rather cyclical end-markets in which they compete. But given the significant improvements in 'quality' – a factor that we have found to be persistent over long term horizons – we believe these stocks may in fact be as attractive as ever from a valuation standpoint – in aggregate…

There are substantial shortcomings in analyzing metrics of group statistics – the most obvious being that clearly the 'average' is not true for each stock, and we certainly shouldn't (and we don't) take group averages at face value. While group statistics may be indicative of a broader trend, on an individual basis, these statistics are far more varied and need to be contextualized before coming to any conclusions. On an individual basis, only two of the six – Apple and Meta – have a 1 yr forward P/E ahead of their 5 year averages yet still remain below their average premium to the market.

	P/E (Next 4 Quarters)					
	1 yr fwd	5 yr avg	2 yr fwd	5 yr avg	Premium to MSCI World (N4Q)	5 year Avg
Apple Inc	31.7	27.6	28.4	25.1	62%	80%
Amazon.com Inc	28.5	44.6	23.6	33.8	46%	189%
Alphabet Inc	18.2	21.4	15.9	18.6	-7%	39%
Meta Platforms Inc	23.9	20.2	20.8	17.7	22%	31%
Microsoft Corp	27.7	30.8	24.1	26.7	42%	100%
NVIDIA Corp	24.6	42.8	19.5	35.1	26%	179%
Average (mean)	25.8	31.2	22.0	26.2	32%	103%
MSCI World Index	19.6	18.7	17.6	16.8		

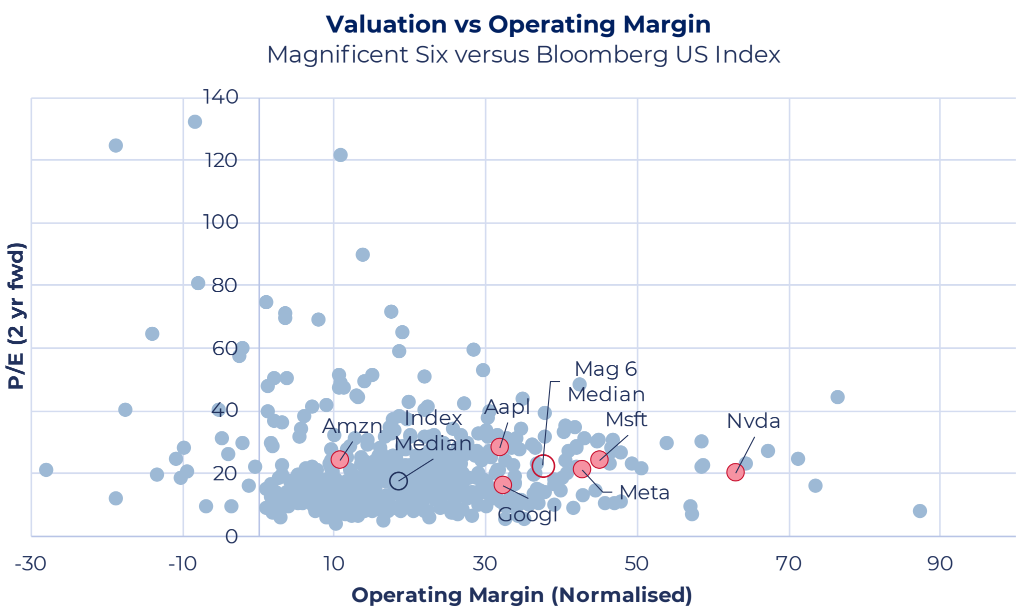
Source: Guinness Atkinson Asset Management, MSCI, Bloomberg – date at February 28th 2025

Looking at these stocks individually, we can see that all Magnificent Six stocks have sales expectations at least in line with the average of other US stocks (The Bloomberg US Index is a good proxy for the S&P 500). For valuation, we have used P/E with 2-year forward estimates, given that these stocks are likely 'growthier', and a shorter term outlook will not fully capture the expected growth trajectory. While most are valued at a premium to the index (except Alphabet), none are at extreme valuations that would cause concern.



Source: Guinness Atkinson Asset Management, Bloomberg

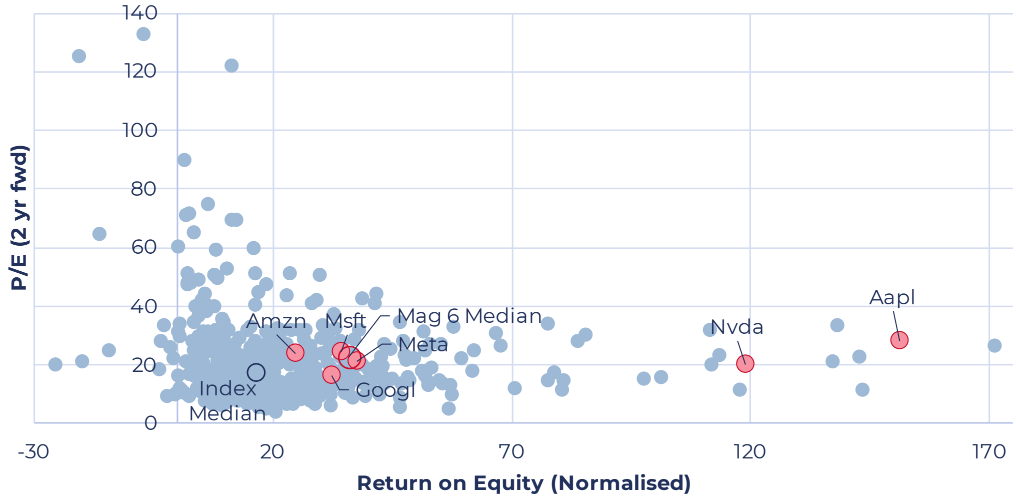
Except for Amazon, these Magnificent Six stocks are also typically higher margin.



Source: Guinness Atkinson Asset Management, Bloomberg

...and with a higher return on equity (we have used Return on Equity rather than our preferred Return on Capital metric, since data for the index is patchier for Return on Capital).

Valuation vs Return on Equity
Magnificent Six versus Bloomberg US Index

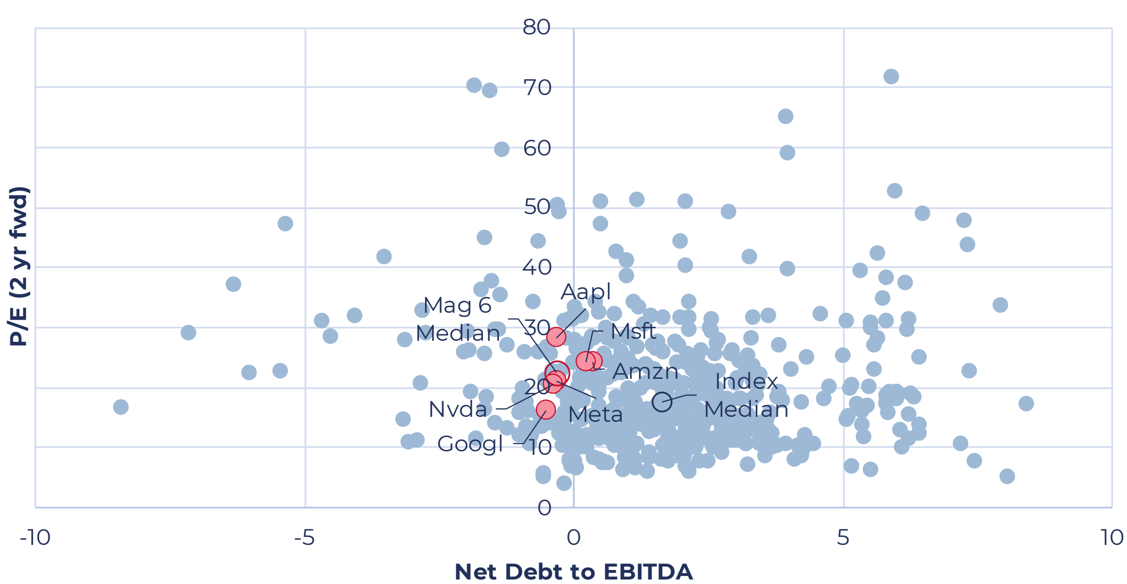


Source: Guinness Atkinson Asset Management, Bloomberg

Finally, these Magnificent Six stocks also tend to have much stronger balance sheets, all with a Net Debt to EBITDA of below 0.5x – with most who are even net cash.

Note, for this chart, there are a number of Index stocks outside the bounds of the axes. However, we have scaled the axes to improve the overall picture.

Valuation vs Net Debt to EBITDA
Magnificent Six versus Bloomberg US Index

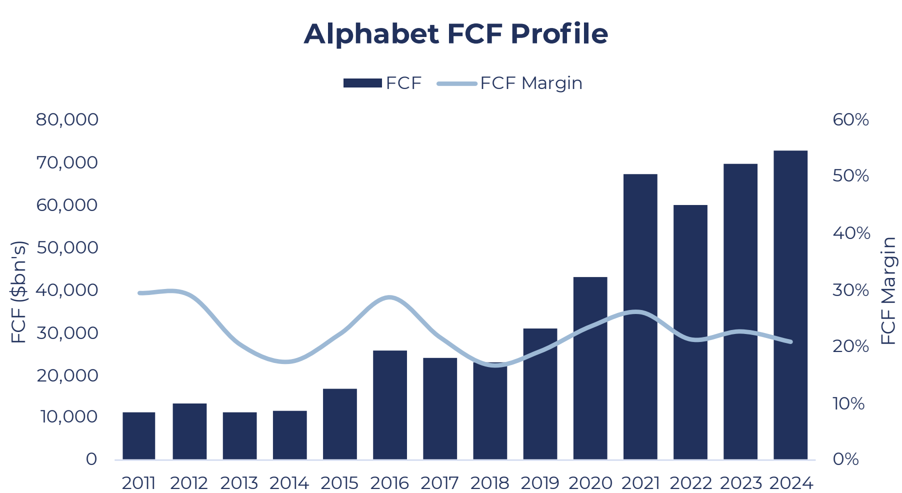


Source: Guinness Atkinson Asset Management, Bloomberg

With stronger growth outlooks and fundamentally higher quality financial profiles, the Magnificent Six are seemingly deserving of a valuation premium to the wider market. Of course, relying solely on individual financial metrics provides only a partial view of their long-term investment case. While these metrics may be informative over the short term, a more comprehensive assessment over a 3–5 year investment horizon (such as that of the Fund) requires a more qualitative view. While we have found 'quality' to be a more persistent factor over longer time horizons, growth can be far more volatile and difficult to predict. While financial metrics provide useful signals for shorter-term expectations, they do not capture the full picture of what will ultimately drive share price performance over the longer term. Below, we take a look at these stocks from a more qualitative perspective.

Alphabet

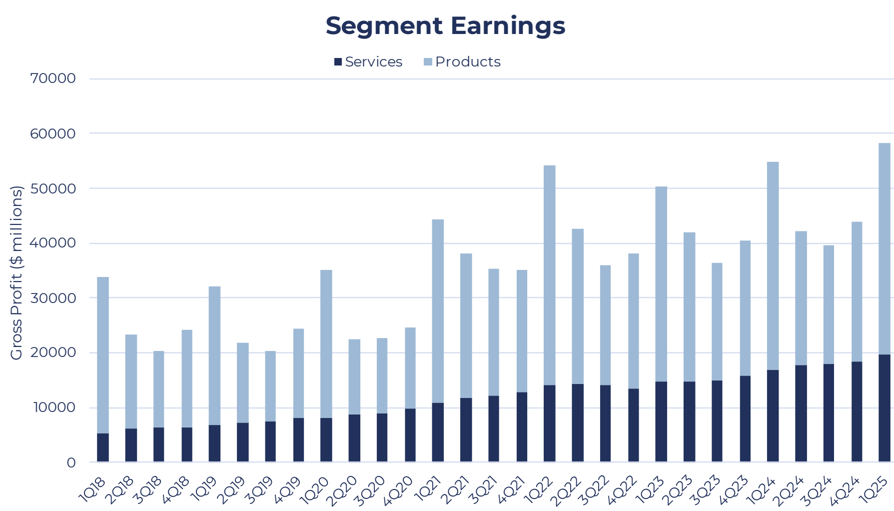
Alphabet has long dominated the search engine and digital advertising markets, with near 90% market share in search engine volumes and near 40% share in digital advertising, allowing the firm to leverage a trove of proprietary data to maintain leadership. However, the company is successfully transitioning into a more diversified, high-growth business with increased contributions from Cloud and AI-driven services, while continuing to enhance its core advertising segment. Despite cyclical fluctuations in digital ad spending, Alphabet has demonstrated resilience through consistent innovation, monetization of new ad formats, and an expanding ecosystem of paid services, driving strong Free Cash Flow growth over the past decade – while maintaining a relatively high and steady FCF margin. Google Cloud, an increasingly profitable segment, is positioned as a key top-line growth driver, projected to grow at above 20% for the next three years at least, as businesses accelerate their cloud and AI adoption. Alphabet's recent AI-driven initiatives, including Gemini and its Search Generative Experience (SGE), have the potential to drive higher engagement and further advertising monetization over time. Additionally, YouTube's premium subscriptions and continued ad revenue growth (supported by a shift toward connected TV and 'Shorts' monetization) further diversify the revenue base. While regulatory scrutiny and competitive pressures in AI remain risks, Alphabet's vast data advantage, entrenched user base, and continued innovation provide a compelling case for sustained growth and cash flow generation.



Source: Guinness Atkinson Asset Management, Bloomberg, Company Data

Apple

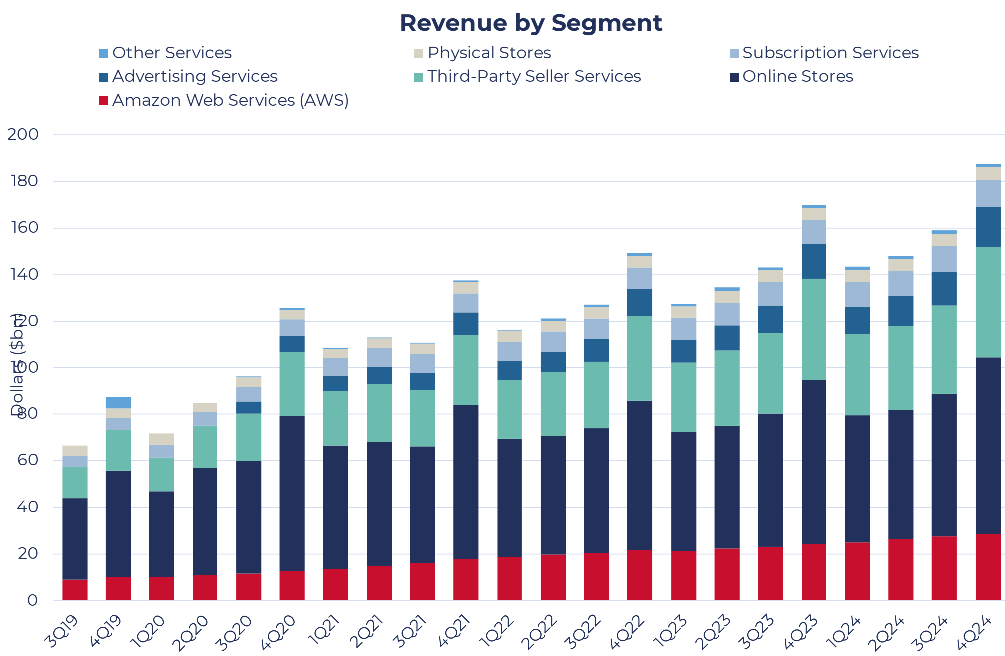
Apple has successfully been shifting their revenue/earnings mix towards Services - a higher growth, higher quality recurring earnings stream – and dampening the impact of cyclical product sales on profitability. In recent years, Apple has been amidst a cyclical trough in iPhone demand, yet the firm has been executing well in a declining smartphone market – holding unit sales steady but growing the overall 'installed base' of Apple Product users at a rate of 10% (2016-2025). This has created a fast-growing end-market in which for Apple to sell 'Services' to (e.g. storage, music, etc) – a stickier, less cyclical and higher margin (2x the gross margin than hardware products) business, that now accounts for 40% of earnings. iPhone (and Apple hardware products more generally) remain a significant growth opportunity, and is in some senses a recurring revenue stream in itself, as a loyal customer base (over 90% retention) habitually upgrades their handsets. Long term share gains and increasing penetration in emerging markets (EM) will not only grow iPhone, but drive growth in the installed base, where Apple can further sell recurring Services products to. Not only do we expect a continued shift in revenue mix to make what is already a very high quality company, even higher quality, we see a number of growth opportunities for the firm, including continued price increases in iPhone, greater penetration of subscribers to 'Services' within the growing installed base, continued market share gains (particularly in EM), and a cyclical upswing in hardware (with products currently in emerging from trough).



Source: Guinness Atkinson Asset Management, Bloomberg, Company Data

amazon.com

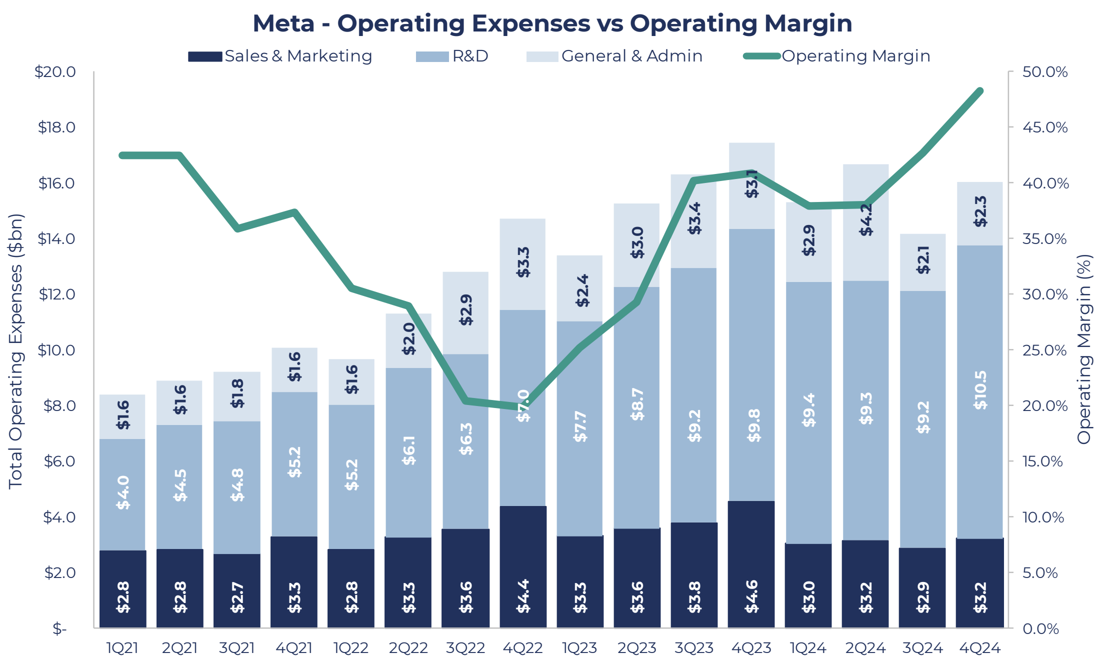
Amazon is a high-quality, high-growth business with a wide economic moat, underpinned by its leadership in e-commerce, cloud computing, and digital advertising. The company continues to outperform expectations across multiple fronts, delivering strong revenue growth, expanding margins, and improving capital efficiency. Its three largest segments—Online Stores, Third-Party Seller Services, and AWS—grew by 7%, 11%, and 19% in 2024, respectively, an impressive achievement given Amazon's scale. Amazon's crown jewel, AWS, remains a key growth driver, benefiting from capacity-constrained demand and the rapid adoption of generative AI, prompting management to accelerate investment in datacenter expansion. Meanwhile, Amazon's advertising business is scaling rapidly, consistently outpacing major internet peers, leveraging deep consumer insights to drive engagement and monetisation. Beyond its top-line momentum, Amazon has shown strong operational execution, with operating margins reaching an all-time high of nearly 11% in 2024, as the company continues to unlock efficiencies through its multi-hub logistics strategy and increased automation. With management forecasting double-digit revenue growth for the foreseeable future and further margin expansion through the increasing earnings mix towards AWS (and lower growth of lower margin business more generally), Amazon is exceptionally well-positioned to sustain its trajectory as a dominant force in global commerce and technology.



Source: Guinness Atkinson Asset Management, Bloomberg, Company Data

Meta

Meta has built a dominant advertising business that has leveraged a vast trove of user data to deliver highly targeted digital ads across its family of apps. Despite cyclical fluctuations in ad spending, Meta has demonstrated strong growth as the firm successfully executes on improving user engagement and monetization of new revenue streams. Following investor pushback in 2022, the company shifted their focus toward cost efficiency, including significant headcount reductions and disciplined capital allocation. This led to a substantial margin expansion – with the firm more than doubling operating margins from 20% in 4Q22, to 48% in 4Q24 – an all time record for the firm and a clear example of the underlying quality inherent within the business model. While Meta's core Family of Apps segment remains the primary driver of revenue and profitability, new monetization opportunities are emerging. AI-driven ad targeting, WhatsApp Business monetization, Click-to-Message ads, and growing engagement with Reels were all initially 'side-bets', but are increasingly contributing to the firm's healthy growth outlook. Reality Labs, while still a drain on profitability, is offering visibility towards a significant source of new revenue. Currently with a $2bn revenue rate, this segment has the potential to become a significant contributor to revenue mix, if monetized effectively. In the last couple of years, Meta has proven their ability to be a high-quality compounder, with significant cash generating ability (FCF margins to above 30%). With the core of the business growing double digit and a number of heavily investment growth avenues, we expect Meta to maintain long term strong top-line growth.

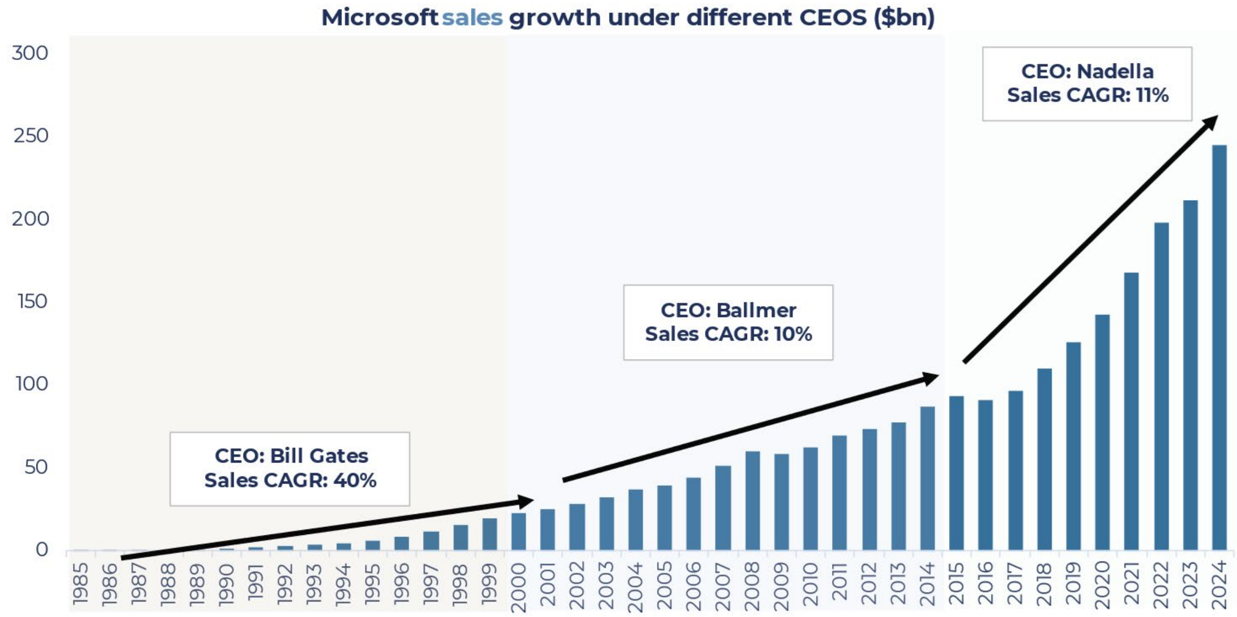


Source: Guinness Atkinson Asset Management, Bloomberg, Company Data

Microsoft

Microsoft has arguably one of the best mixes of quality growth businesses in the opportunity set, with all 3 core business segments growing double digit in FY24, off of an exceptionally large base. The company's strategic focus on cloud computing, AI, and enterprise software has propelled it into one of the highest-quality, high-margin growth stories in technology. The predominant driver of group growth has been (and is expected to continue being) Azure, Microsoft's cloud offering, which has been delivering about 30% growth as structural demand has taken hold, although the firm has also been taking share from market leader Amazon's AWS due to Azure's unique hybrid-cloud offering. And as 'Cloud' accounts for an increasing percentage of the firm's revenue mix, this has allowed operating margins to trend consistently upwards. While near-term capital expenditures (CapEx) requirements for cloud and AI infrastructure may weigh on margins, Microsoft's ability to drive average revenue per user (ARPU) expansion, achieve scale efficiencies within cloud, and achieve continued growth in high-margin enterprise software can help mitigate this impact. FCF has grown at an annualized rate of 10%

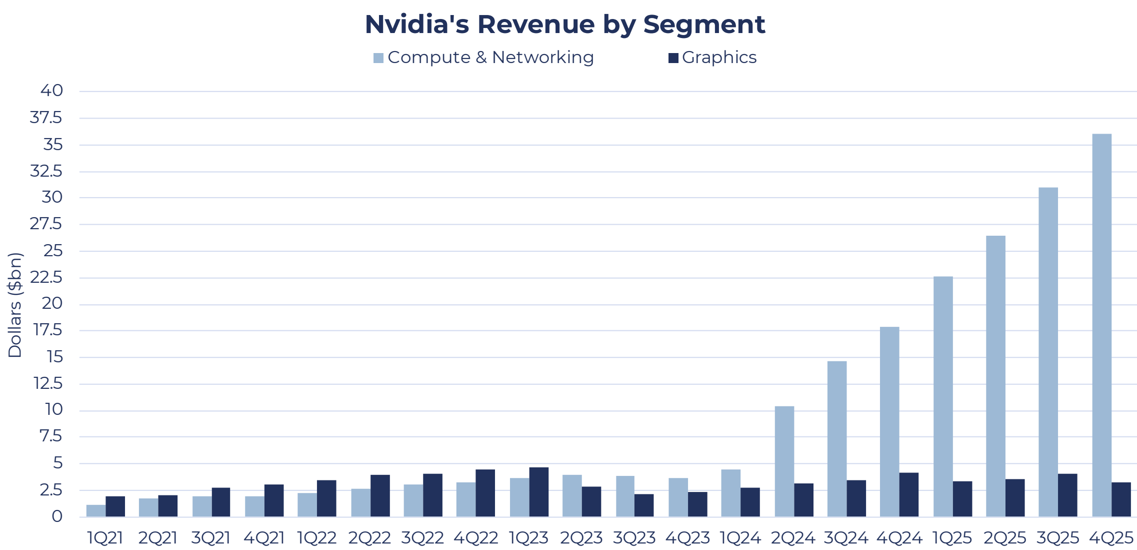
since 2019, demonstrating significant profitability with FCF margin stable at around the 30% mark. Alongside a strong balance sheet, disciplined capital allocation (including growing dividends and steady buybacks), and a diversified revenue base, Microsoft remains well positioned as a high-quality leader in enterprise technology, cloud, and AI innovation, with the quality-growth mix one of the most attractive in the investment universe. The firm has a long history of exceptional top-line growth across periods and across management teams, and is a best-in-class example of a company that is continually able to innovate and drive growth.



Source: Guinness Atkinson Asset Management, Bloomberg, Company Data

NVIDIA

We have held Nvidia since 2003, but in recent years the investment case for the firm has changed significantly. Since the beginning of 2023, Nvidia's 'Hopper' GPUs have been at the center of exploding demand for chips powerful and efficient enough to facilitate the energy intensive requirements of AI processes within data centers. Initially possessing over 95% of market share in these types of chips, Nvidia have been quick to entrench their position as the technological leader in the space, launching the successor to the current 'Hopper' GPU in March 2024, Blackwell, inhibiting the likes of AMD and Intel making meaningful inroads in taking share of the fast-growing market. Compared to the previous iteration (Hopper) which is continuing to fuel Nvidia's extreme revenue growth, the Blackwell chip is twice as powerful for training AI models and has 5 times the capability when it comes to "inference" (the speed at which AI models respond to queries). Demand for such chips, particularly from other Magnificent Six firms, has resulted in super-normal revenue and profitability growth. While we do not expect such growth to be sustained, we do expect significant demand to remain as companies invest in upgrading existing data centers and building new ones, with Nvidia well-positioned to capture a significant share of the estimated $2 trillion market opportunity over the next five years. While the emergence of cost-efficient AI 'training' models like DeepSeek presents a risk, we believe lower training costs will likely spur much broader adoption of AI applications, and thus driving demand for ‘inference’(rather than ‘training’). Nvidia already holds a leading position in inference, with roughly 40% of revenue stemming from inference workloads, and we see this as a considerable growth driver for the firm longer term. With AI-driven capital expenditures from big tech showing no signs of slowing down, order cancellations appear unlikely despite evolving AI models. Further innovation, including the H200 chip, ensures Nvidia’s technological edge extends into 2025 and beyond. Nvidia’s valuation may remain a topic of debate for some, but given our prior analysis, we believe it still appears reasonable given its dominant market position, innovative prowess, and exposure to long-term secular growth trends in AI, cloud computing, and data infrastructure. We believe Nvidia remains well-positioned to deliver sustained outperformance over the long term, as a cornerstone of the AI theme.



Source: Guinness Atkinson Asset Management, Bloomberg, Company Data

Changes to the Portfolio

In February, we made no switches to the portfolio.

Stock Specifics

Infineon (+12.4% USD)

Europe’s largest chipmaker and leader in Automotive semiconductor chips, Infineon, finished the month as the Fund’s top performer, as the firm delivered Q1 results that were better than feared by investors. Infineon’s end-markets have been amidst a cyclical downturn, which has weighed on investor sentiment. This included inventory corrections and sluggish manufacturing inventory. Negative sentiment was further compounded by the firm’s significant exposure to the China region, with concerns over rising trade tensions and pressure from the Chinese government for domestic players to buy locally. However, this quarter provided investors with multiple green shots, namely from

AI, China and Autos, allowing us to gain even greater confidence in Infineon's product leadership within 'power' semiconductors. This could be seen by the fact that peers such as STMicro, NXP Semi and Texas Instruments guided to weak trends in the auto market, which were not seen by Infineon. Unlike its competitors, Infineon benefited from continued strength in its automotive and industrial segments, demonstrating resilience despite broader macroeconomic headwinds. The quarterly results were marked by management's expectations of channel inventory normalization over the next couple of quarters, share gains in the auto segment, strength in China despite concerns over regulation, and strong performance in silicon carbide (SiC) – a key growth area for the firm. Additionally, Infineon's ability to capitalize on secular growth drivers – such as the accelerating adoption of SiC in EVs, increasing demand for power-efficient solutions in AI-driven data centers, and the gradual recovery in industrial automation – reinforces its competitive edge. Management's reaffirmation of its long-term growth targets and disciplined cost control further strengthened investor confidence, helping the stock outperform in February.

Intercontinental Exchange (+8.4% USD)

Intercontinental Exchange strong share price momentum continued into February, driven by a positive set of earnings results, with robust exchange revenue growth and a recovery in Mortgage Technology. The firm generates most of its revenue from trading, data services and mortgage technology (software that helps automate home loan processing). Net revenue for the fourth quarter rose 5.5% year-on-year, mainly driven by futures revenues, which benefited from increased volatility across commodities, contributing to higher trading volumes. Within futures, energy markets were a bright spot due to increased hedging demand amid geopolitical tensions, reinforcing ICE's leadership in the exchange space. Although the Mortgage Technology segment had been facing major headwinds, this quarter proved to be an inflection point, with revenue up sequentially, primarily due to higher non-recurring revenues and an increase in origination and closing revenues. While the mortgage market remains challenged, ICE is seemingly navigating the downturn successfully, by capitalizing on incremental improvements in activity levels. FIDS (Fixed Income & Data Services) was another bright spot, entirely driven by recurring revenues, underscoring the resilience of ICE's data and analytics business in a more uncertain macro environment. On the capital allocation front, we are encouraged to see plans to restart share repurchases in the next quarter after deleveraging post Black-Knight acquisition, which leaves ICE well positioned to drive further operational efficiencies and enhance its competitive edge in the mortgage and data service markets while enhancing the firm's recurring revenue.

Alphabet (-16.5% USD)

Alphabet ended February as the Fund's bottom performer, as the market reacted negatively to a higher capex guide for FY25 and cloud revenue growth numbers that, while strong, came in slightly below consensus. The elevated capex outlook, largely driven by AI-related investments in infrastructure and data centres, raised concerns about near-term margin pressure, even as management emphasised the long-term benefits of these expenditures. Despite the negative market reaction, we found Alphabet's results encouraging, as they demonstrated that AI investments are yielding returns. Notably, AI-powered video campaigns on Youtube are delivering a 17% higher return on ad spend compared to traditional campaigns. Additionally, AI Overview monetization came in approximately at par with traditional search monetization, dissipating some investor concerns about potential risk of generative AI disrupting search revenues. The reason behind the cloud revenue growth headline miss was supply constraints and not a lack of demand. As Alphabet brings more capacity online, we would expect such supply constraints to abate. Further, Google Cloud includes both Cloud Infrastructure and Google Workspace businesses, with management attributing the Google Cloud miss to Google Workspace. Management highlighted that Cloud Infrastructure business revenue grew at a "significantly higher pace than the overall 30% Google Cloud revenue segment", reinforcing confidence in the firm's positioning within the AI-driven cloud computing segment. With AI integration strengthening monetization across its ecosystem, Alphabet's investments in AI infrastructure position it well for future growth. While the near-term concerns pressured the stock in February, we believe the company continues to execute well on long-term strategic priorities.

TSMC (-13.8% USD)

TSMC ended February as the Fund's second bottom performer. The stock fell 13.8% during February despite the robust results reported over January. The better-than-anticipated results were driven by strong demand for High Performance Computing, supported by 'AI accelerator' (a specialized computer chip designed to speed up AI tasks, such as machine learning and deep learning) demand, prompting management to raise revenue guidance for FY25 and beyond. Management now expects revenue to grow at about 20% compound annual growth rate (CAGR) for the next few years, higher than the previous guidance of mid-teens, particularly driven by AI-related revenue, which is expected to double in FY25. However, despite these strong fundamentals, several factors weighed on investor sentiment. Global trade tensions escalated in early February following the U.S. announcement of new tariffs, including a 10% tariff on Chinese imports, raising fears of supply chain disruptions and potential cost pressures for semiconductor manufacturers. Given TSMC's significant exposure to global supply chains, this development contributed to increased uncertainty. However, TSMC's commitment to bringing advanced manufacturing to the U.S. through its Arizona fabs could help mitigate political risks while reinforcing its global leadership. During February, the semiconductor sector faced broad weakness over slowing consumer electronics demand and inventory adjustments in certain segments pressured the industry. While these macroeconomic and industry-wide factors drove the stock's underperformance during the month, TSMC remains well-positioned to capitalise on high-growth areas such as AI and High-Performance Computing.

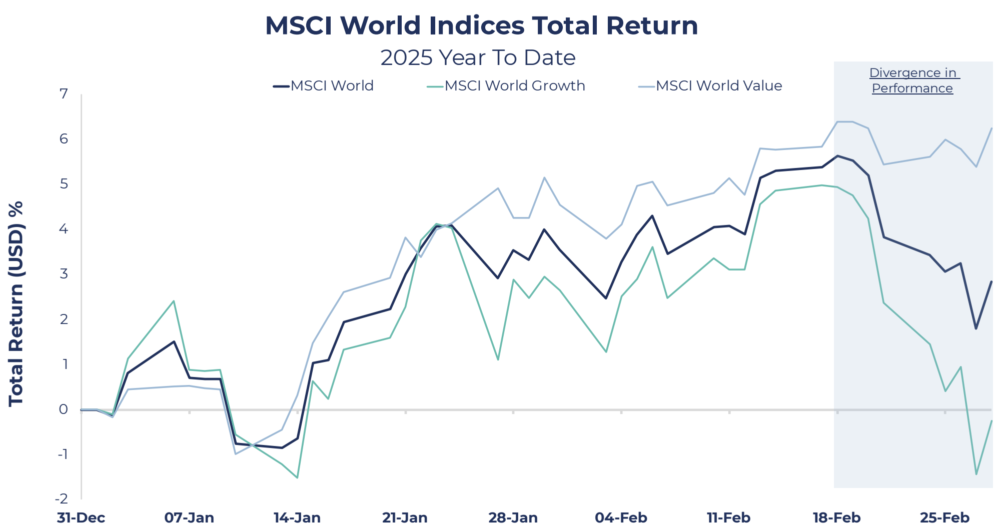
We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA   Dr Ian Mortimer, CFA

Summary Performance

While global equities tracked upwards for the majority of February, volatility at the end of the month erased all previous gains. The sell-off was US-led, influenced by escalating trade tensions, heightened uncertainty over US policy agenda, and sector-specific developments. President Trump's announcement of significant tariffs, 25% on imports from Canada and Mexico and 10% on Chinese goods, sparked fears of a global trade war. Conversely, European markets displayed resilience. This divergence can in part be attributed to concerns over how U.S. trade policies are likely to have an outsized impact on US domestic companies, prompting a rotation toward European equities perceived as less exposed to these risks. European markets were also buoyed by the increasing prospect of a ceasefire in Ukraine. Defensive sectors such as Consumer Staples, Real Estate and Utilities outperformed, reflecting investor caution amid aforementioned uncertainties, as well as inflationary pressures. In contrast, Information Technology and Consumer Discretionary underperformed, with notable declines in major tech stocks driving the underperformance of 'Growth' (vs 'Value'). February also saw a significant decline in US consumer confidence, highlighted by the Conference Board's Consumer Confidence Index drop from 105.3 in January to 98.3 in February – the largest monthly decline since August 2021. This led to increased speculation about potential interest rate cuts by the Federal Reserve later in the year, adding almost two full rate cuts to expectations for 2025 in the past month.



Source: Guinness Atkinson Asset Management, MSCI, Bloomberg

Over the month, relative Fund performance can be attributed to the following:

- The Fund's zero allocation to Consumer Staples, the best performing sector over the month of February (4.9% USD), was the largest detractor to relative Fund performance. The Fund's zero allocation to other defensive sectors such as Real Estate (3.1% USD) and Utilities (2.2% USD) also negatively impacted the Fund's relative performance.
- The Fund's largest overweight sector position to the benchmark, Information Technology (-1.8% USD), acted as a significant headwind from an allocation perspective. Stock selection within Semiconductors also negatively impacted, with off-benchmark name TSMC (-13.8% USD) one of the Fund's bottom performers, and weakness from Applied Materials (-12.2% USD) also contributing.

- The Fund's underweight exposure to the worst performing sector, Consumer Discretionary, contributed positively to the Fund relative performance. Within Consumer Discretionary, the Fund also benefited from strong security selection, resulting from the Fund's exposure to off-benchmark holding Anta Sports (6.0% USD).
- While the Fund's underweight position to Financials sector was a detractor to relative performance, security selection was a positive contributor, stemming from the Fund's overweight positions to Intercontinental Exchange (8.4% USD), Mastercard (3.8% USD) and Visa (6.3% USD).

as of 02.28.2025 (in USD)	1 year	3 years annualized	5 years annualized	10 years annualized
Global Innovators, Investor Class[1]	11.16%	11.47%	15.95%	12.06%
Global Innovators, Institutional Class[2]	11.45%	11.75%	16.24%	12.32%
MSCI World Index NR	15.63%	10.21%	13.89%	9.81%

as of 12.31.2024 (in USD)	1 year	3 years annualized	5 years annualized	10 years annualized
Global Innovators, Investor Class[1]	19.54%	5.42%	14.15%	12.20%
Global Innovators, Institutional Class[2]	19.83%	5.67%	14.43%	12.45%
MSCI World Index NR	18.67%	6.33%	11.15%	9.94%

All returns after 1 year annualized.

[1] Investor class (IWIRX) Inception 12.15.1998 Expense ratio* 1.24% (net); 1.28% (gross)
[2] Institutional class (GINNX) Inception 12.31.2015 Expense ratio* 0.99% (net); 1.13% (gross)

[2] 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 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, 2027. 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.

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 2/28/2025:

1.	Mastercard Inc	4.10%
2.	Visa Inc	4.01%
3.	London Stock Exchange Group PL	3.89%
4.	ANTA Sports Products Ltd	3.89%
5.	Meta Platforms Inc. - Class A	3.76%
6	Netflix Inc	3.74%
7.	Intercontinental Exchange Inc	3.71%
8.	AMETEK Inc	3.69%
9.	NVIDIA Corp	3.63%
10.	Medtronic PLC	3.56%

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. 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.

MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. 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 World Growth Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid-cap securities exhibiting overall growth style characteristics across developed markets.

The MSCI World Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI World Index. The index includes the same constituents as its parent. However, at each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price (high or low).

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors.

One basis point (bp) is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point.

The Federal Open Market Committee (FOMC) consists of twelve members--the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis.

Standard deviation is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. If the data points are further from the mean, there is a higher deviation within the data set. A volatile stock has a high standard deviation, while the deviation of a stable blue-chip stock is usually rather low.

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

The MSCI Cyclical and Defensive Sectors Indexes are designed to track the performance of the opportunity set of global cyclical and defensive companies across various Global Industry Classification Standard (GICS®) sectors. Cyclical sectors include Communication Services, Consumer Discretionary, Financials, Industrials, Information Technology, Materials, Real Estate. Defensive sectors include Consumer Staples, Energy, Healthcare, Utilities.

Beta is a measure of a stock's volatility in relation to the overall market.

Duration: The duration number is a complicated calculation involving present value, yield, coupon, final maturity and call features. Fortunately for investors, this indicator is a standard data point provided in the presentation of comprehensive bond and bond mutual fund information. The bigger the duration number, provided in years, the greater the interest-rate risk or reward for bond prices. It can also be used to describe equities in a similar manner: a higher duration suggests most cash flows are expected far into the future, with a lower duration suggesting more stable cash flows over the short and long term.

Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country’s borders in a specific time period.

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.

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.

Forward price-to-earnings (forward P/E) is a version of the ratio of price to earnings(P/E) that use forecasted earnings for the P/E calculation. While the earnings used in this formula are just an estimate and not as reliable as current or historical earnings data, there are still benefits to estimated P/E analysis

The multiples approach is a valuation theory based on the idea that similar assets sell at similar prices. It assumes that the type of ratio used in comparing firms, such as operating margins or cash flows, is the same across similar firms.
Multiple expansion is when a stocks valuation multiple (for example, their Price to Earnings ratio, or EV to EBITDA ratio) increases, meaning that the stock is now more expensive than before.

Free cash flow (FCF) is the cash that remains after a company pays for everyday operating expenses and capital expenditures.

Return on equity (ROE) is a gauge of a corporation's profitability and how efficiently it generates those profits. To calculate ROE, divide a company's net income by its shareholders' equity. Because shareholders' equity is equal to a company’s assets minus its debt, ROE is a way of showing a company's return on net assets.

Return on capital is a way to measure the profitability of a business. Simply put, it compares a company’s profits with the value of the assets used to produce them.

Return on Capital (ROC) or return on capital employed, is a company's profit for a particular period compared with the capital invested in the company. This shows how effectively the company is using the amount of capital invested in it to make a profit.

Return on invested capital (ROIC) assesses a company’s efficiency in allocating capital to profitable investments. It is calculated by dividing net operating profit after tax (NOPAT) by invested capital. ROIC is the amount of money a company makes that is above the average cost it pays for its debt and equity capital.

The MSCI World Information Technology Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid-cap equities across 23 developed markets, all classified within the Information Technology sector.

The S&P 500 Index features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization.

Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, technology, or equipment. CapEx is often used to undertake new projects or investments by a company.

EBITDA, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income

The MSCI World Semiconductors and Semiconductor Equipment Index is composed of large and mid-cap stocks across 23 Developed Markets (DM) countries*. All securities in the index are classified in the Semiconductors and Semiconductor Equipment Industry Group (within the Information Technology sector)

The MSCI World Quality Index is based on MSCI World, its parent index, which includes large and mid cap stocks across 23 Developed Market (DM) countries. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.

The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 625 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

The MSCI World Consumer Discretionary Index is designed to capture the large and mid cap segments across 23 Developed Markets (DM) around the world. All securities in the index are classified in the Consumer Discretionary sector as per the Global Industry Classification Standard (GICS®).

Year-over-year (YoY) sometimes referred to as year-on-year, is a frequently used financial comparison for looking at two or more measurable events on an annualized basis

The compound annual growth rate (CAGR) is the rate of return that an investment would need to have every year in order to grow from its beginning balance to its ending balance, over a given time interval.

The Conference Board (CB) is a global, independent business membership and research association. It is a not-for-profit research organization that distributes vital economic information to its peer-to-peer business members.

The Consumer Confidence Index (CCI) is a survey administered by the Conference Board. The Consumer Confidence Index is based on the Consumer Confidence Survey, conducted by Nielsen, a global provider of information and analytics on consumers' buying and watching habits.

One cannot invest directly in an index.

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