

**Quarter in Review**

**Q3 2025: Markets in review**

Amidst a year riddled with macro-economic uncertainty, policy change and geopolitical volatility, global equities ended the quarter delivering positive returns. July opened with ongoing fears over tariff measures as President Trump’s original 90-day pause enacted on liberation day was scheduled to end on July 9<sup>th</sup>. Although this deadline was extended and new US trade agreements were put in place, the macroeconomic backdrop remained complex with renewed pressure on the Federal Reserve to cut rates. Nonetheless, equities managed to hit repeated all-time highs, supported by a solid second quarter earnings season and a surprisingly resilient US economy. August saw volatility as GDP data and weaker jobs figures tempered enthusiasm, but optimism returned with lower inflation, better-than-expected PMI data, and a dovish shift in Fed rhetoric. Against this backdrop, style leadership continued to favor growth-oriented companies over their value counterparts, even amid brief periods of defensive outperformance. Growth companies remained the key drivers of index gains, supported by stronger earnings delivery and investors’ willingness to look beyond short-term tariff headwinds. Central to this performance was the Magnificent Seven companies, whose dominance persisted buoyed by AI and cloud optimism.

**MSCI World Indices Total Return - Q3 2025**



**MSCI World vs Mag 7 Total Return - Q3 2025**



Source: Bloomberg, Guinness Atkinson as of September 30<sup>th</sup> 2025

**China Strength**

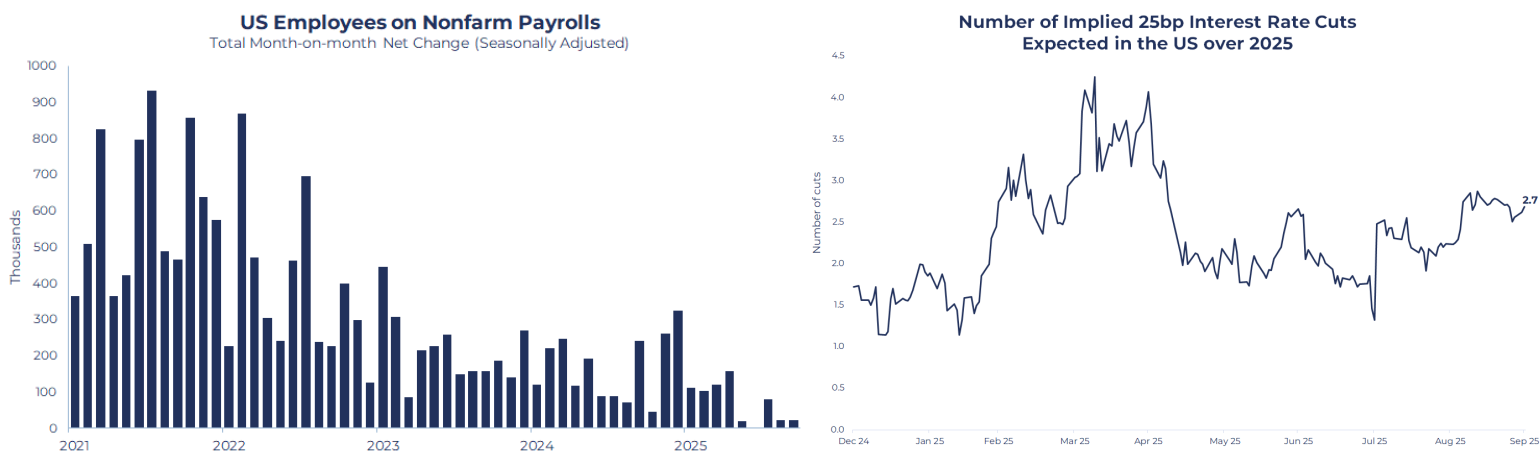
Looking across geographies, Chinese equities staged a notable rally, outperforming most major global equity markets as policy momentum, easing US-China trade tensions and renewed AI optimism provided tailwinds for equities. Beijing has coordinated stimulus with rate cuts and targeted credit easing helping to revive risk appetite. Gains in the region were broad-based, led by AI and semiconductor companies which have benefitted from renewed investor confidence, an upswing in AI investment, and new product rollouts from China’s largest technology firms. Recent addition to the Fund, Tencent, was among the standout performers, rising on stronger gaming revenues, accelerated monetization in WeChat services, and optimism around its AI ecosystem integration. Compared with other major regions, China’s performance stood out as government policy momentum and the AI tailwind aligned, while the US rally remained narrowly led by mega-cap tech and Europe continued to lag on weaker growth and energy concerns.



Source: Bloomberg, Guinness Atkinson as of September 30<sup>th</sup> 2025

**Rate expectations:**

Interest rate expectations have shifted meaningfully as the US macro backdrop turned more uncertain. Early in the quarter, resilient growth and a firm labor market supported the view that the Federal Reserve could maintain higher rates for longer, with only one cut priced in for the year. However, sentiment softened as the data deteriorated. A hot August consumer price index (CPI) print reignited inflation concerns, while weaker nonfarm payrolls and declining ISM (Institute for Supply Management) Manufacturing readings pointed to cooling activity. This combination of stubborn inflation and softening growth has heightened both recessionary and inflationary fears. Markets now anticipate a more cautious Fed stance heading into Q4, with investors divided on the timing and pace of rate cuts. With two policy meetings still ahead, focus will remain on whether incoming macroeconomic data points will justify patience or compel the Fed to continue cutting interest rates.



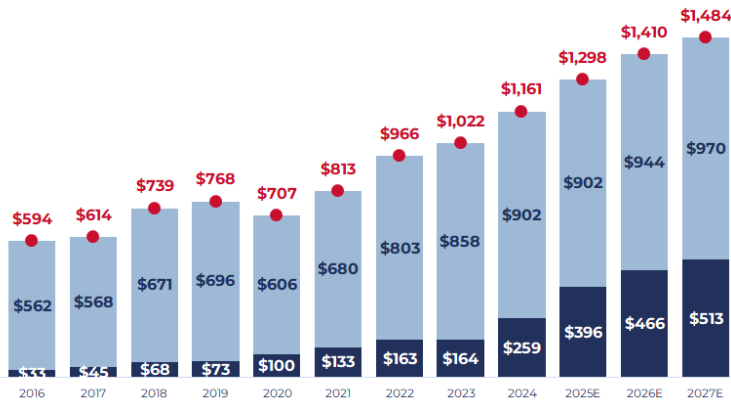
Source: Bloomberg, Guinness Atkinson as of September 30<sup>th</sup> 2025

**On Cloud Nine**

AI infrastructure expenditure has accelerated at an unprecedented pace, reshaping capital allocation across the global technology landscape and driving an extraordinary concentration of corporate investment power. The leading Hyperscalers: Microsoft, Amazon, Google, Meta alongside Chinese peers such as Alibaba and Tencent, are committing vast sums to expand data centers, GPU clusters (graphics processing units), and cloud infrastructure to meet surging AI and compute demand. Oracle has likewise intensified its investment program, entering a multiyear partnership with OpenAI that entails significant new capacity buildouts. Collectively, Hyperscaler capital expenditure is projected to exceed \$500 bn by 2027, supplemented by more than \$300bn in research and development. As illustrated by S&P 500 data, the “Big Five” US technology firms (Microsoft, Amazon, Google, Meta and Oracle) alone now account for an estimated 35% of total index capital expenditures (capex), up from just 5% in 2016, while their share of overall sales has risen only modestly, underscoring the disproportionate intensity of their investment cycles relative to revenue growth. This sustained, multi-year capital cycle spans the full AI value chain, from semiconductors and networking hardware to software enablement and cloud-based AI services and reflects both strategic necessity and financial capability.

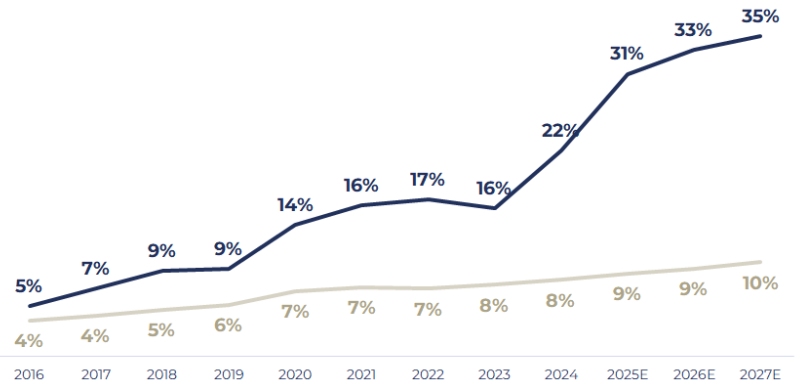
Total SPX capex spend (\$ billions)

■ Big 5 ■ Other ● Total






Big 5 capex share of SPX is poised to increase

— Big 5 capex share of SPX — Big 5 sales share of SPX



Source: Bloomberg, Guinness Atkinson as of September 30<sup>th</sup> 2025

**What is the spending on?**

Company	Description
<b>Meta</b> 	<p>Meta’s big 2025 capital spending increase, to about \$69bn, is mainly for building out AI infrastructure. This includes new and larger data centers, more powerful servers, and upgrades to power and cooling systems. Most of the spend still supports Meta’s main business, the Family of Apps like Facebook, Instagram, but a growing share backs AI-driven tools within those platforms.</p> <p>Meta is building AI-optimized data centers to handle intense computing needs and these facilities will host hardware for AI model training, inference, content ranking, and generative AI features (e.g., Meta AI).</p>
<b>Alphabet</b> 	<p>Alphabet’s rising spending centers on “technical infrastructure”, mainly servers and data centers. The company cited that the “vast majority” of its capex goes here, with around two-thirds for servers (including AI accelerators) and one-third for data centers and networking. Spending primarily supported Google Services, Google Cloud, and Google DeepMind, all of which depend on AI computing. It expects future capex to fuel AI products like Search, YouTube, Workspace, and Cloud AI. This includes major outlays for GPUs and TPUs (tensor processing units), high-speed networking, and new or expanded data-center campuses worldwide.</p>
<b>Amazon</b> 	<p>Amazon is increasingly focused on AWS, its cloud business, and especially on AI infrastructure. Management has cited progress in custom AI chips (Trainium2) and foundation models, signaling heavy investment in data centers, compute, and networking. This year, Amazon announced multi-billion-dollar expansions of its cloud infrastructure across the US (North Carolina, Pennsylvania) and Australia, including rollout of Nvidia Grace Blackwell-based instances for AI workloads. Amazon still allocates capital to logistics, robotics, and Project Kuiper.</p>



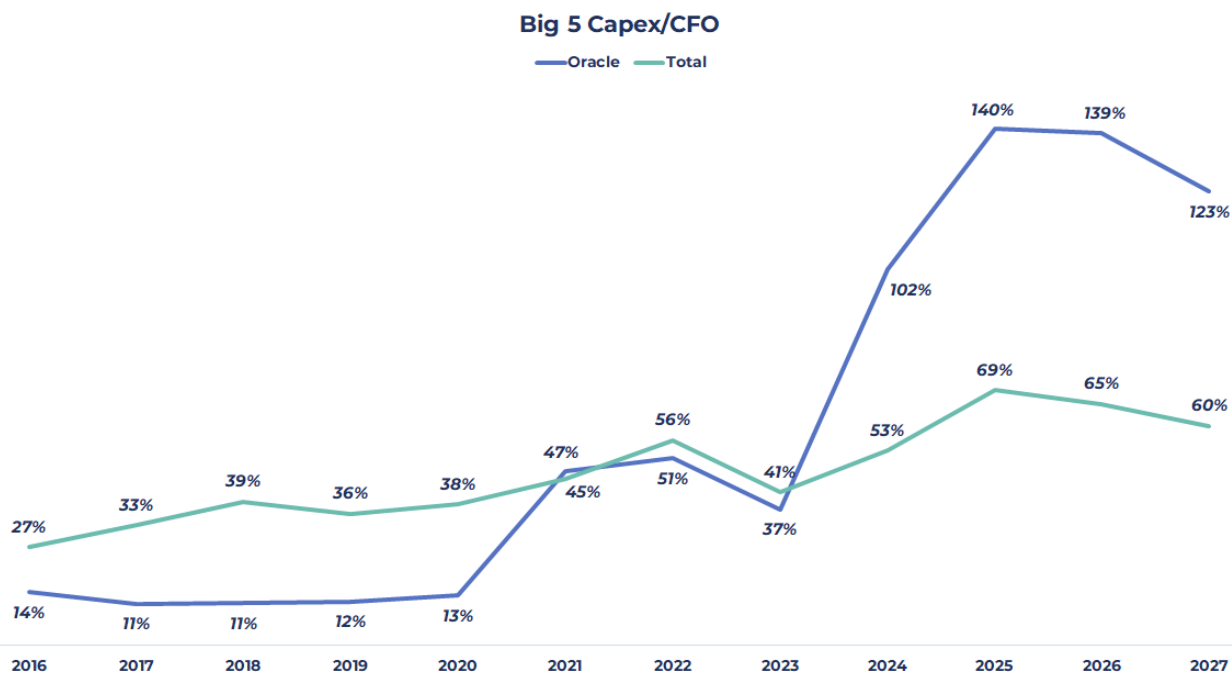
Microsoft’s capital spending surge is driven by global cloud and AI expansion including data centers, AI servers, and networking infrastructure to power Azure AI, Microsoft 365 Copilot, and partner ecosystems. Microsoft appears to operate over 300 data centers across 60 regions, adding multi-gigawatt capacity for training and inference. The investment covers AI accelerators (Nvidia and Microsoft chips), liquid-cooling systems, optical networking, and renewable energy alignment.



Oracle’s capital spending focuses on expanding Oracle Cloud Infrastructure (OCI), particularly GPU-powered AI clusters and new multicloud data centers. Oracle has 23 live multicloud centers with 47 more under construction in the next year, showing rapid expansion. The company is funding region-specific programs, such as \$1 bn in the Netherlands and \$2 bn in Germany, to build sovereign and public cloud capacity. Technically, Oracle is investing in Nvidia and AMD systems for large-scale training and inference. Altogether, Oracle’s growing capex supports AI workloads, multicloud growth, and enterprise partnerships, helping it compete with other Hyperscalers.

**The cost of spending?**

It is becoming more apparent that the accelerating pace of capital investment is exerting pressure on balance sheets and cash generation across the Hyperscalers. Based on consensus estimates, aggregate Big Five capex now absorbs over half of operating cash flow and is projected to approach 60% by 2027. Oracle’s trajectory is notable, with Capex-to-CFO expected to exceed 100%, indicating investment levels surpassing internally generated liquidity. While this reflects managements’ confidence in the durability of AI and cloud demand, it also invites scrutiny over capital discipline and the sustainability of free cash flow, especially if monetization and efficiency gains fail to keep pace with expenditure.

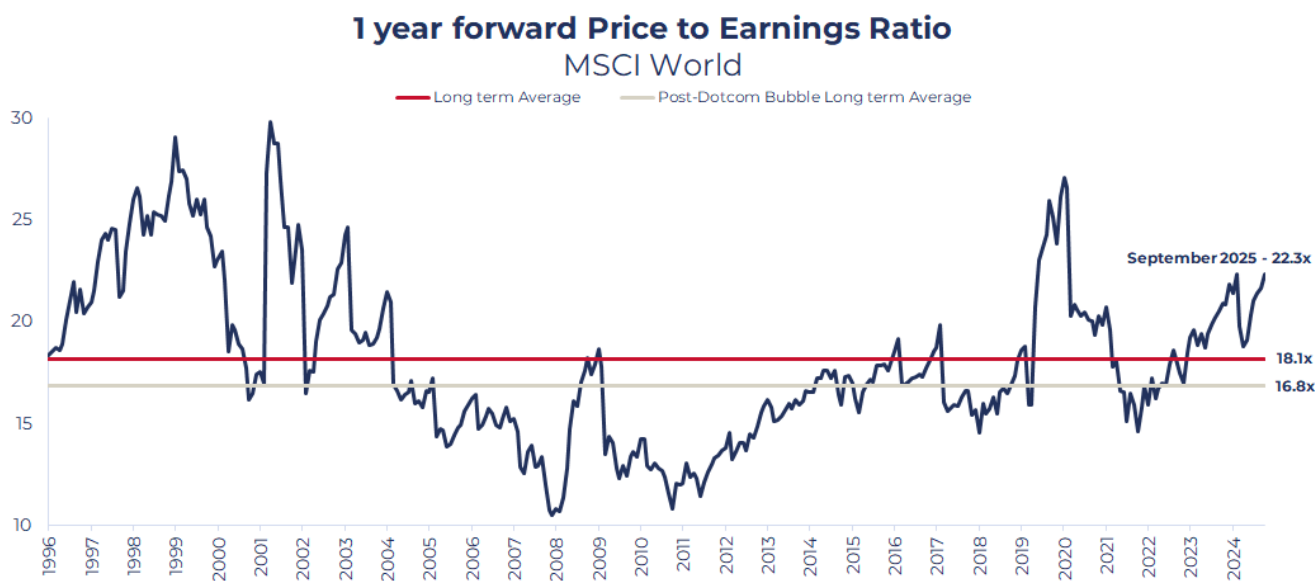


Source: Bloomberg, Guinness Atkinson as of September 30<sup>th</sup> 2025

Further, the surge in AI capital expenditure has sparked debate among investors about how quickly such heavy spending can translate into tangible returns. Despite spending on GPUs, data centres and model development company revenues explicitly tied to AI remain limited. The story, however, may be less about immediate revenue capture and more about a gradual shift in how value is created, through productivity, efficiency, and scale effects that surface over time. AI and cloud related capex can monetize through multiple channels, most commonly thought to be simply direct AI revenue from products such as Copilot (Microsoft), Gemini (Alphabet) or rented cloud compute. Beyond this, companies can achieve margin expansion and bottom-line efficiencies as AI automated workflows and reduces costs. Investments in AI can also work to defend economic moats as they can improve customer stickiness and engagement through embedding intelligent features that sustain engagement and loyalty. Microsoft's Copilot features, Meta's ad targeting, and Amazon's logistics optimization all illustrate these quieter gains.

**What lies ahead?**

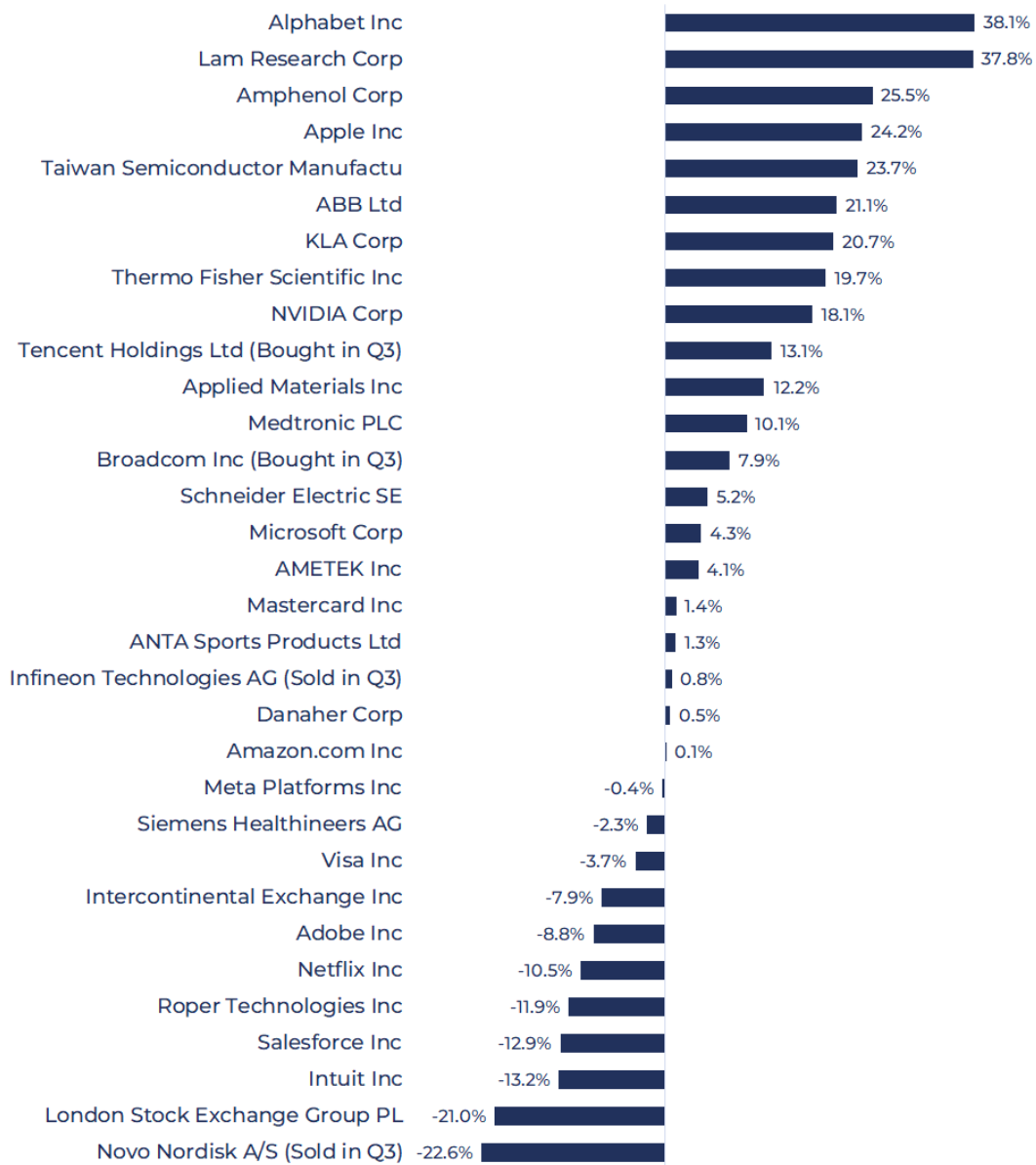
As we move into the next quarter, it is hard to ignore the elevated valuations of global equities, much of which is owed to investor optimism on the potential of AI and the rising Capex as a catalyst for future growth and profitability. The MSCI World Index appears to be trading at a 1-year forward P/E of 22.3x (price to earnings ratio), above its long-term average of 18.1x and well-above its post-dot com bubble average of 16.8x. While this enthusiasm is underpinned by genuine innovation and companies with underlying quality, the current environment carries faint echoes of the Dot-com bubble, as capital infrastructure spending accelerates and expectations could be racing ahead of earnings. In this environment, the Guinness Atkinson Global Innovators Fund remains dedicated to identifying high-quality growth companies. Our focus is on companies aligned with long-term secular growth trends, which we expect to outperform the broader market over time and offer more stable, sustainable growth prospects. A distinctive aspect of our strategy is targeting companies with economic exposure to nine key 'innovation' themes. This thematic diversification helps reduce concentration risk and is reinforced by our equally weighted portfolio construction. This strategy enables us to navigate such turbulent periods in the market, positioning the portfolio for longer-term returns.



Source: Bloomberg, Guinness Atkinson as of September 30<sup>th</sup> 2025

**Individual Stock Performance in Q3 2025**

The chart below shows the portfolio constituents' returns over Q3 2025 in USD.



Source: Guinness Atkinson, Bloomberg, as of September 30th 2025

**Stock Specifics**

# Alphabet

**Alphabet (+38.1% in USD)**

Alphabet was the Fund's top performer over the quarter. The ongoing antitrust case from the Department of Justice had been an overhang for the shares as of late. The market reacted positively to the recent announcement regarding remedies; with the Judge's decision that Alphabet can retain both Chrome and Android alleviating concerns that the company may be forced to split up. This is of particular importance given the Search segment is a major contributor to operating income. While there were some other requirements issued by the court, such as removing exclusivity from their deal with Apple for Google to be the default search engine, the imposition of these is not immediate and likely to be postponed by appeals from Alphabet. The company also posted strong results during the quarter, with the core Search business growing +11.7% year-on-year and sequential acceleration of paid clicks growth (Source: Alphabet 2Q25 Release). Encouragingly, Alphabet has also been diversifying away from Search through YouTube and their Google Cloud Platform, with the latter demonstrating strong revenue growth and margin expansion in the quarter.



**Lam Research (+37.8%)**

Lam Research, the American semiconductor equipment manufacturer, was one of quarter's best performing stocks in the Fund. The company reported a robust set of results despite noise around tariffs and export controls, beating market expectations for revenues, margins, and earnings per share (EPS). Notably, gross margins hit a record 50.3%, with upside being driven by a favorable product mix and strong demand from China supporting Lam's anticipation of elevated spending on Wafer Fabrication Equipment. Solid Foundry and NAND flash memory helped offset some cyclical softness in Dynamic Random Access Memory (DRAM) and Logic. Management also spoke to the increasing complexity and intensity in etch and deposition processes for AI chips, with Lam having showcased new products which suggests they may be ahead of peers in terms of innovation. We believe Lam is well positioned across key technologies, such as High Bandwidth Memory and advanced packaging, which provides stable drivers for growth going forward.



**London Stock Exchange Group (-20.9% in USD)**

London Stock Exchange Group, the financial data and exchange company, was one of the Fund's weaker performers, despite posting a solid set of H1 2025 results during the quarter. LSEG reported strong results with all businesses contributing to overall revenue growth of 8.7% year-on-year, plus

+150bps of expansion in their earnings before interest, taxes, depreciation and amortization (EBITDA) margin. Management also announced a "new £1 billion buyback", demonstrating their confidence in the business and its strong cash generation. The softness in the share price was, therefore, not reflective of operational issues, but rather a combination of adverse news flow and investor positioning. LSEG have been adversely impacted by dollar weakness, with foreign exchange representing a 1.9% headwind in H1. Headlines around S&P Global partnering with Anthropic and soft sales commentary from MSCI raised concerns about increasing competition and the broader growth prospects of the industry. Taking a longer-term view, we continue to have confidence in LSEG, given its market-leading position and resilient business model with both defensive and counter-cyclical characteristics that support stable growth across various market environments.



#### **Novo Nordisk (-20.6%)**

Novo Nordisk also was a detractor from performance over the quarter. The shares had fallen significantly following a profit warning in July, where management cut FY25 sales guidance by 6% and reduced its free cash flow outlook by one third. Despite the Food and Drug Administration removing Novo's Semaglutide drug - which is used to treat Type 2 diabetes - from its shortage list, the company continued to face competition from compounded drugs. Management also spoke to seeing heightened competition in both the US and international markets and a slowing of the overall GLP-1 market. This was exacerbated by Novo appointing a new internal CEO, when expectations were for an outsider to be hired to provide a new strategic direction. As a result, we no longer felt confident in Novo's ability to deliver attractive risk-adjusted returns and decided to exit the position.

#### **Changes to the portfolio:**

In Q3 2025, we made 2 switches to the portfolio.

#### **Sells**



#### **Novo Nordisk**

We exited our position in Novo Nordisk, having lost confidence in the company's ability to capitalize on its most important growth opportunity: the obesity and GLP-1 market.

The stock had been under pressure for much of the past year amid rising concerns about increased competition, disappointing trial data from its next-generation obesity drug CagriSema, and persistent

supply chain challenges. We maintained our holding on the expectation that several positive catalysts - including the phasing out of compounded drugs, new partnerships with CVS and telehealth providers, and a belief that the market was overly discounting Novo's long-term position - would ultimately be turning points for the stock.

However, the profit warning during July called into question these assumptions. Specifically, management reduced FY25 sales guidance by 6% and cut its free cash flow outlook by 1/3rd driven by continued competition by compounded drugs (despite the FDA removing Novo's Semaglutide drug from its shortage list), broader competition in both the US and international markets, and a slowing of the overall GLP-1 market.

Given these developments, we no longer had sufficient conviction in Novo's ability to deliver attractive risk-adjusted returns, and as a result, we exited the position. In line with our one-in-one out philosophy, we will be replacing the stock in the near future.



## **Infineon**

We first purchased Infineon in September 2016, and the stock has delivered >160% since purchase. However, performance since the end of 2022 has been volatile. Having initially performed extremely well in the COVID rebound with the stock benefiting from an intense chip shortage, since the beginning of 2022, Infineon's valuation has been under significant pressure due to a mix of macro-related events. These include:

- **A deteriorating economic climate leading to cyclical weakness in Autos.** As the leading supplier of chips to automakers, and autos being the firm's largest end-market, Infineon's top-line is highly correlated to the automotive end-market. With autos being a largely discretionary item, a weaker economic backdrop has heavily suppressed demand for new vehicles.
- **China is Infineon's largest region,** and the key driver of growth. However, trade war tensions with the US have spurred efforts from Beijing to invest heavily in their domestic semiconductor supply chain, and have included efforts from the government to push local auto manufacturers to purchase local chips, reducing reliance on Western imports.

Since the beginning of 2021, an amalgamation of these two risks caused significant volatility in the stock, and a significant de-rating took place. We felt this deep discount was an unfair reflection of the fundamental strength underlying the stock, failing to reflect any mitigating circumstances. Infineon had been continuing to execute well despite the difficult market conditions by taking market share (e.g. 1% incremental market share in the Auto's end market in 2023), investing heavily in fast growing areas (Silicon Carbide) with significant TAM potential, and were benefitting from strength in AI and datacenter (~10% of sales) end market demand. We also felt that the market was unfairly reflecting the key risks to the stock, in the sense that the auto industry's weakness was cyclical rather than a fundamental shift in trend, and that Infineon retained significant barriers to entry in China, and was competitively advantaged within the region. With all of this in mind, we remained comfortable with our position in Infineon – particularly given the heavy discount on offer.

However, an additional risk also emerged – tariffs. Infineon was one of the most exposed to tariff risks within the portfolio. In terms of first-order effects, the semiconductor industry one of the most tariff exposed given highly globalized supply chains and perceivably an area of increasing national and economic security. The second order effects are potentially more impactful, with Infineon's auto end-market a focus of recent tariff policy, and likely driving a further slowdown in the market.

We also saw some quality aspects degrade over the holding period, with cash flow return on investment (CFROI) falling from ~8.4% to ~6.7%. Together, we felt these risks represented further potential negative catalysts, and until resolved, had the potential to weigh on both valuation and fundamental earnings growth. With equities rebounding following the easing of trade tensions from Trump's liberation day tariffs, alongside Infineon posting consecutively positive quarterly earnings, we took the opportunity to take profits after seeing a strong rebound in the share price, and the valuation not far from peak-levels seen since the sell-off (~20x P/E at the time of sale). Ultimately, we found other ideas more compelling, and were conscious of the decrease in quality and the potential for greater competition in their main growth market long term.

## Buys



### **Broadcom**

Broadcom develops semiconductor and software solutions that accelerate data center computing, facilitate networking, manage storage, and secure enterprise systems. Central to their product offering are Application-Specific Integrated Circuits (ASICs) which are custom-built chips designed for a single task, unlike general-purpose processors. They deliver faster performance, lower power use, and reduced costs at scale which make them highly attractive for a growing number of AI workloads that require energy efficiency without compromising performance. Given their customizability and strong overall performance metrics, a wide range of use cases has driven rapid ASIC adoption across industries. Despite roughly tripling revenues over the past 5 years, the forward growth outlook remains very healthy given the ongoing AI infrastructure build out - consensus still sees a 20%+ topline growth compound annual growth rate (CAGR) over the mid-term.

Broadcom has also done well to cement their competitive positioning as a market leader in the AI hardware space with a clear moat, enabled by huge R&D spending, a strong patent base, and a long history of design expertise in key chip technologies. They have also made use of their strong free cash position, acquiring VMware (a software virtualization business) for \$69bn in 2023, in a cash & stock deal. This move helped to strengthen Broadcom's recurring revenue base, broaden its enterprise software capabilities, and deepen relationships with large corporate and cloud customers. The firm remains incredibly high quality, with a return on capital north of 20% and operating margins north of 60%, which will continue to expand as they realize ongoing efficiencies from the VMware deal. The firm is trading at a reasonable valuation given its growth and quality characteristics and we are confident that Broadcom are well placed to benefit from the ongoing AI infrastructure build out given their strong positioning and attractive product offering, which continues to grow in importance across multiple end markets.



### **Tencent**

The investment case for Tencent rests on a uniquely diversified portfolio of high-quality businesses with a number of strong growth drivers, all at an attractive valuation. Tencent has a user base of 1.3bn monthly-active-users on WeChat alone (Chinese population of 1.4bn), virtually the entire Chinese population as active users. Spanning use cases across messaging, entertainment, payments, e-

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commerce, ride-hailing, government services, and even healthcare access, this breadth has made WeChat a near-essential app in daily life, embedding Tencent deeply in the routines of individuals and businesses. This entrenchment offers Tencent not just numerous competitive advantages that underline the firm's quality but provides significant growth optionality.

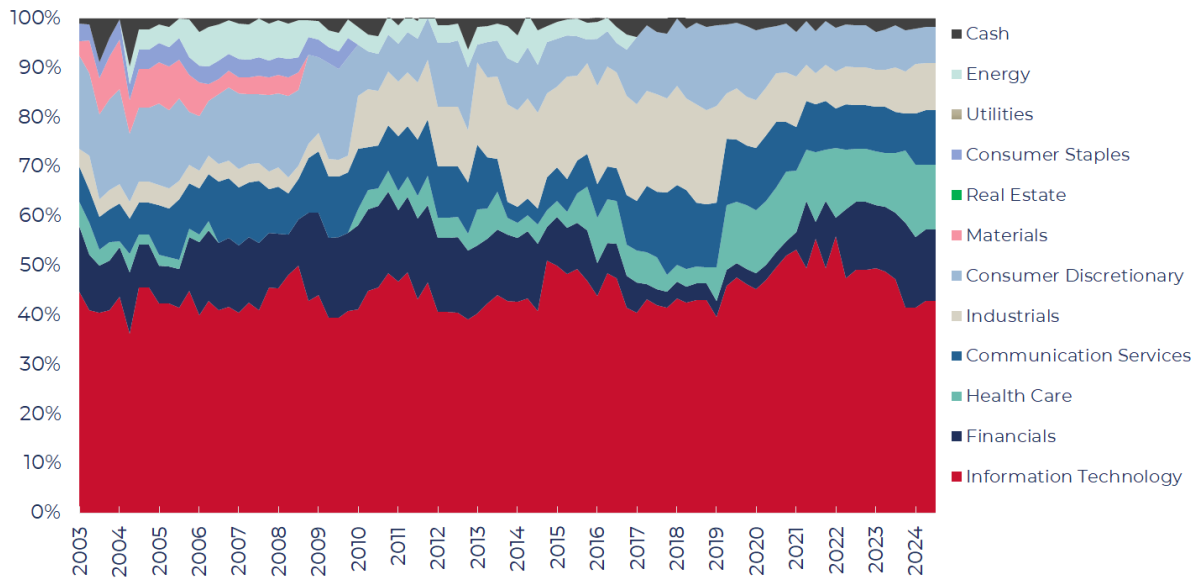
The diversification of the business is Tencent's most compelling quality attribute. Peers often compete with Tencent in just one or two departments – NetEase in gaming and Alibaba in Cloud and eCommerce, for example. Tencent, however, has a strong mix of established, maturing, highly-cash-generative businesses (including market leading positions in gaming and social media) as well as a significant number of promising growth sub-segments (#3 in Chinese cloud), across both consumer and business applications. Diversification extends into the mix of defensive vs cyclical revenues streams. The firm's online advertising business is Tencent's most cyclical, and provides a driver of growth in cyclical upswings. However, a greater mix of sales comes from gaming, cloud services, financial technology, and social networks (e.g. WeChat). These services have stable user bases and monetization models, which are less sensitive to macroeconomic fluctuations, and have good growth drivers throughout the cycle. The firm's quality attributes are not just 'qualitative' however, and translate into superior operating metrics too, with one of the best margin and return profiles in the Chinese internet/tech sphere.

Diversification also extends into Tencent's growth profile, with the firm's three segments each offering a large contribution to the firm's high-single-digit top-line revenue growth outlook over the mid-term. Growth is not reliant on any one business or customer group, or any single type of macro-environment, adding to the firm's quality profile. Three key growth drivers include a.) the cloud computing business, which is able to leverage the firm's impressive data sets and entrenchment within Chinese society; b.) increasing monetization opportunities with respect to the firm's user base; c.) international expansion, particularly in gaming where the firm have seen strong success so far. A significant advantage for the firm is their ability to invest heavily in growth, without impacting their free cash flow outlook to the same extent as peers (Alibaba in particular).

Tencent's deep mix of quality and growth at an attractive valuation provides a compelling investment case, with a profile that fits firmly within the Fund philosophy.

**Portfolio characteristics**

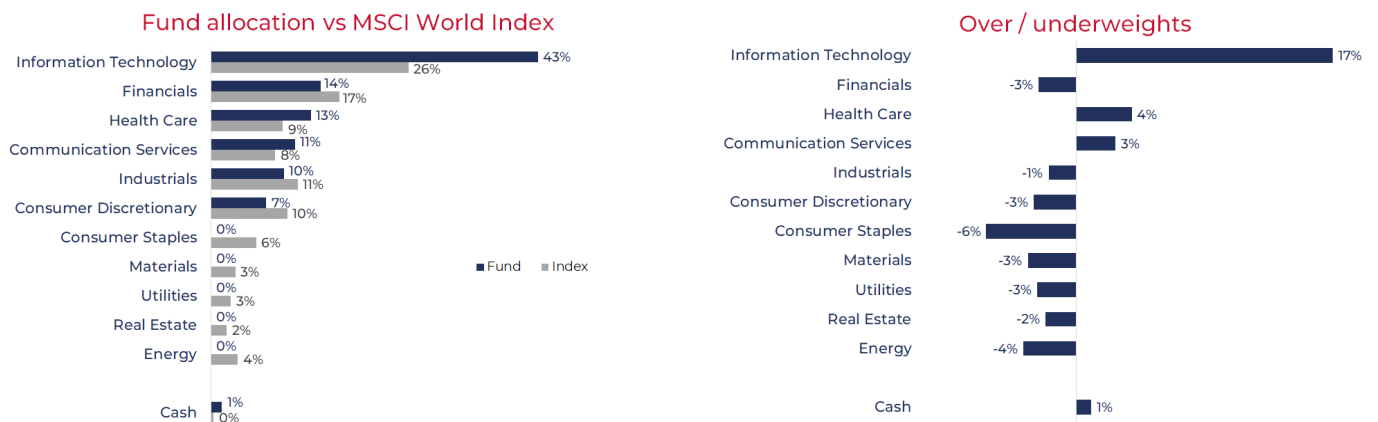
The two charts below show how the exposure of the fund has evolved since we launched the strategy back in 2003. We continue to hold no exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities. Information Technology remains our largest exposure, split between the three sub-sectors of semiconductors; software and services; and technology hardware.



Portfolio sector breakdown. Guinness Atkinson, Bloomberg (September 30th 2025)

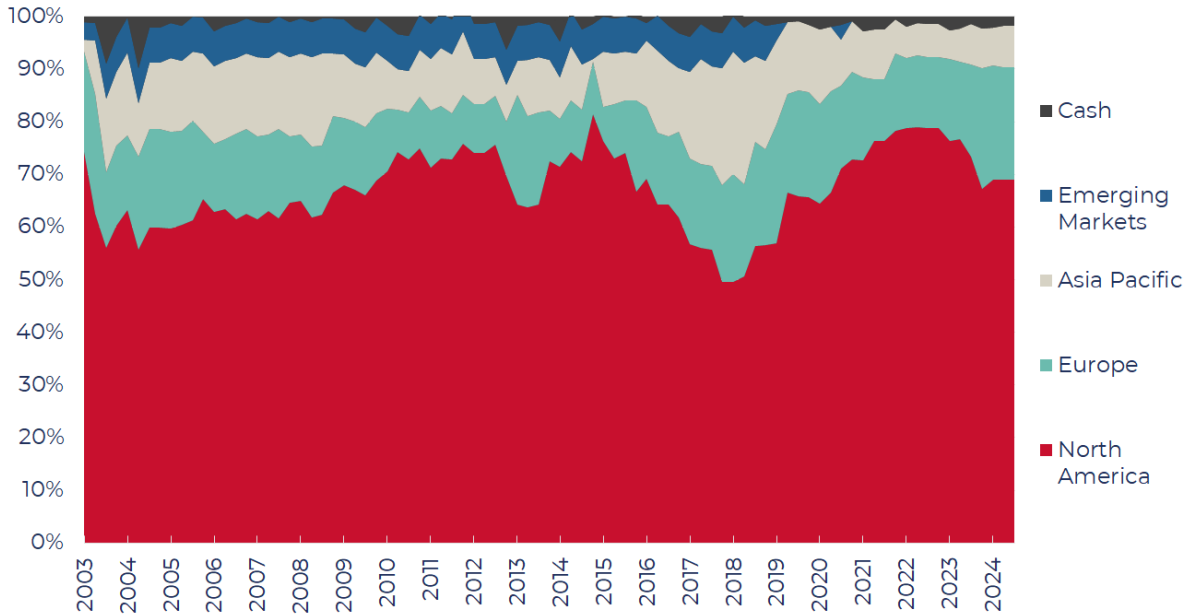
The fund continues to have a large overweight to IT (17%), while the fund’s 0% exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities leaves these areas underweight relative to the benchmark.

**Sector breakdown of the fund versus MSCI World Index**



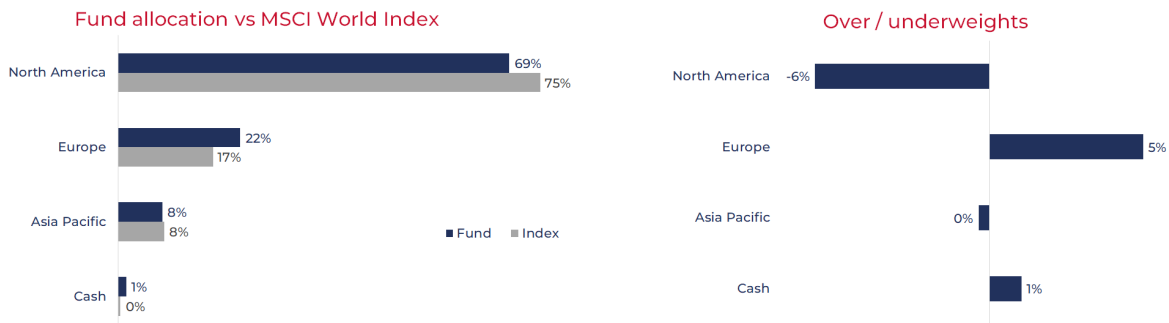
Guinness Atkinson, Bloomberg (data as at September 30th 2025)

On a regional basis, North America continues to be the largest exposure (69%), followed by Europe (22%) and Asia Pacific (8%). Relative to the benchmark, the Fund has a small underweight position to North America and a small overweight position to Europe. Asia Pacific remains slightly underweight, relative to the benchmark.



Portfolio geographic breakdown. Guinness Atkinson, Bloomberg (September 30th 2025)

**Geographic breakdown versus MSCI World Index**



Guinness Atkinson, Bloomberg (data as at September 30th 2025)

**Outlook**

The Guinness Atkinson Global Innovators fund seeks to invest in quality growth companies trading at reasonable valuations. By doing so, we seek to invest in companies that are experiencing faster profit growth, larger margins and with less susceptibility to cyclical pressures. In particular, our focus on quality growth at a reasonable price has shown its strength in avoiding the highly valued non-profitable tech businesses that have swung between large rises and falls but ultimately underperformed significantly over the post-pandemic period.

The table below illustrates how the portfolio reflects the four key tenets of our approach of growth, quality, valuation, and conviction.

- **Growth** drives long-term returns. We focus on companies with exposure to long-term secular growth themes, that are expected to grow faster than the market over time, and which may offer more predictable, sustainable growth.
- **Quality** protects against downside risks. We focus on high and consistent return on capital, balance sheet strength, and sustainable competitive advantages. Valuation is important; we aim to avoid overpaying for (uncertain) future growth.
- **Valuation** is important – we will not overpay for future growth.
- **Conviction** is reflected in our high active share, 30-stock, equal-target-weight portfolio, long-term, low-turnover approach.

The fund has many superior characteristics to the broad market; higher sales and earnings growth, superior return on capital, and greater balance sheet strength, with higher historic growth. The fund currently trades at a 21.1% premium to the MSCI World Index on a P/E (2025e) basis, with expected earnings growth (2026 vs 2025) of 22.0% vs the MSCI World of 13.0%. Compared to the MSCI World Growth index, the Fund trades at an 14.6% discount (P/E 2025e), but with a comparable level of expected EPS growth.

Portfolio metrics versus MSCI World Index		Fund	MSCI World Index
<b>Growth</b>	Trailing 5-year sales growth (annualized)	15.8%	4.7%
	Estimated earnings growth (12M forward)	22.0%	13.0%
<b>Quality</b>	Median Return-on-Capital	23.8%	9.5%
	Median net debt / equity	17.6%	40.9%
<b>Valuation</b>	PE (2025e)	27.0x	22.3x
	PE (2026e)	23.5x	19.8x
<b>Conviction</b>	Number of stocks	30	1320
	Active share	77%	-

Source: Guinness Atkinson, Bloomberg, as of September 30<sup>th</sup> 2025

Recent market exuberance this quarter has appeared reactionary, though long-term value creation remains our priority. Despite a complex macro-economic backdrop, stock fundamentals have shown resiliency, giving us reassurance in our bottom-up approach to stock-picking in the face of continued macroeconomic uncertainty. We are confident that the Fund's focus on high quality growth stocks, underpinned by structural innovation themes, stands us in good stead going forward. Our research process helps to identify these quality growth companies, while also maintaining a valuation discipline – which is particularly important in the context of a market where valuation is front of mind. In addition, our equally weighted positions limit over-reliance on any single company. We continue to focus on these key tenets in the Fund and remain confident of this process over the long term.

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We thank you for your continued support.

### **Portfolio Managers**

Matthew Page, CFA    Dr Ian Mortimer, CFA

### **Summary Performance**

The third quarter of 2025 saw broad-based equity market gains as investor sentiment improved. The rally was driven by ongoing enthusiasm around artificial intelligence, easing trade tensions, and helped by rising expectations of monetary policy easing from the Federal Reserve. Emerging Markets (+10.9%) and Asia Pacific (+10.0%) led global performance, with Chinese equities performing particularly well amid an extension of the US–China trade truce, targeted policy support for domestic chipmakers, and an acceleration in AI-related investment. Despite complex US macro-economic conditions, market leadership narrowed once again toward large-cap U.S. tech, supported by a generally solid corporate earnings season and resilient consumer demand.

This quarter, markets absorbed higher than expected levels of capital expenditure from the major Hyperscaler companies (Meta, Amazon, Alphabet and Microsoft). In this commentary, we examine the scale and implications of this spending. With cumulative AI-related investment projected to approach trillions of dollars by 2030, attention is increasingly turning to how effectively this capital will translate into productivity gains and sustainable earnings growth. We also consider the broader macroeconomic context, including monetary policy dynamics which appears increasingly complex.

The Fund's relative performance over the third quarter can be attributed to the following:

- The Fund benefited from its overweight position to the Information Technology sector as it outperformed the broader benchmark (+12.3% vs +7.4%). This was supported by Lam Research (+37.8% in USD), one of the Fund's holdings within the sector, delivering robust returns above the MSCI World Information Technology sub-index.
- From an asset allocation perspective, the Fund's overweight position to Healthcare acted as a drag as the sector underperformed the wider index (+3.1% vs +7.4%). Further, concerns around continued competition in the obesity and GLP-1 market contributed to weaker performance for Novo Nordisk (-20.6%) – resulting in a slight headwind from negative stock selection. This is no longer held in the Fund, having exited our position during the quarter.
- The Fund saw a tailwind from a zero-weight allocation to some of the benchmark's weaker sectors including Utilities (+5.4%) and Consumer Staples (-1.9%), as investors seemingly rotated away from more defensive stocks in an increasingly risk-on environment.

as of 09.30.2025 (in USD)	1 year	3 years annualized	5 years annualized	10 years annualized
<b>Global Innovators, Investor Class<sup>1</sup></b>	14.58%	28.22%	13.71%	15.09%
<b>Global Innovators, Institutional Class<sup>2</sup></b>	14.88%	28.55%	14.00%	15.37%
<b>MSCI World Index NR</b>	17.25%	23.69%	14.40%	12.42%

All returns after 1 year annualized.

<sup>1</sup> Investor class (IWIRX) Inception 12.15.1998 Expense ratio\* 1.24% (net); 1.25% (gross)

<sup>2</sup> Institutional class (GINNX) Inception 12.31.2015 Expense ratio\* 0.99% (net); 1.10% (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, 2028. 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 9/30/2025:

1. NVIDIA Corp	4.45%
2. Alphabet Inc - A Shares	3.85%
3. Lam Research Corp	3.64%
4. Taiwan Semiconductor Manufacturing Co Ltd	3.61%
5. Tencent Holdings Ltd	3.61%
6. Amphenol Corp.	3.60%

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7.	ANTA Sports Products Ltd	3.58%
8.	KLA-Tencor Corp	3.57%
9.	Meta Platforms Inc. - Class A	3.56%
10.	Netflix Inc	3.50%

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.

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 Magnificent 7 is a group of major tech companies with stock growth that, on average, far outpaced the high-performing S&P 500® over the past decade. Coined in 2023, the group consists of Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla.

MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 329 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets, excluding the UK.

The MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market.

MSCI AC Asia Pacific Index captures large and mid cap representation across 5 Developed Markets countries and 8 Emerging Markets countries in the Asia Pacific region. Developed Markets countries include: Australia, Hong Kong, Japan, New Zealand and Singapore. Emerging Markets countries include: China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs).

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.

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The ISM manufacturing index, also known as the purchasing managers' index (PMI), is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at manufacturing firms nationwide. The survey (the Manufacturing ISM Report on Business) is conducted by the Institute for Supply Management (ISM).

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

One basis point (bps) 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.

Tensor Processing Units (TPUs) are Google's custom-developed, application-specific integrated circuits (ASICs) used to accelerate machine learning workloads.

The compound annual growth rate (CAGR) is the annual rate of return that shows how an investment grows from its beginning value to its ending value over time, assuming reinvested profits.

Cash flow return on investment (CFROI) is a valuation metric that looks at cash flow, relative to a company's cost of capital.

Estimated growth earnings: Wall Street analysts' build financial models to predict the forward or future earnings of the companies they follow. Financial databases report both the actual estimates from individual analysts and a consensus estimate. (Earnings growth is not a measure of future performance)

The Nasdaq-100 (NDX) is a large-cap growth index. It includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

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.

The Dow Jones Industrial Average is a list or **index** of 30 companies considered indicators of the stock market's overall strength. It is a benchmark index of 30 blue-chip companies listed on U.S. stock exchanges.

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

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

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Cash Flow is the total amount of money, in cash, being transferred into and out of a business.

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 (SPX) 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.

The Capex to CFO ratio is a financial metric that shows the proportion of a company's operating cash flow used to fund its capital expenditures, indicating how much of its cash generation is being reinvested into long-term assets.

Return on capital is the taxable annual return you earn from an initial investment.

Net Debt to Equity, is a measure of a company's financial leverage. It is calculated by dividing its net liabilities by stockholders' equity.

Active Share tracks the disparity between a portfolio manager's holdings and that of its benchmark index.

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®).

Forex (FX) refers to the global electronic marketplace for trading international currencies and currency derivatives. Most of the trading is done through banks, brokers, and financial institutions.

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

One cannot invest directly in an index.

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