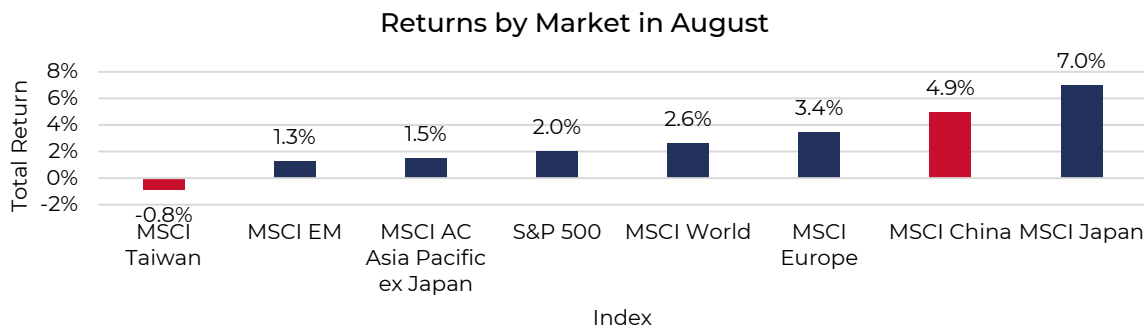


## Macro Commentary

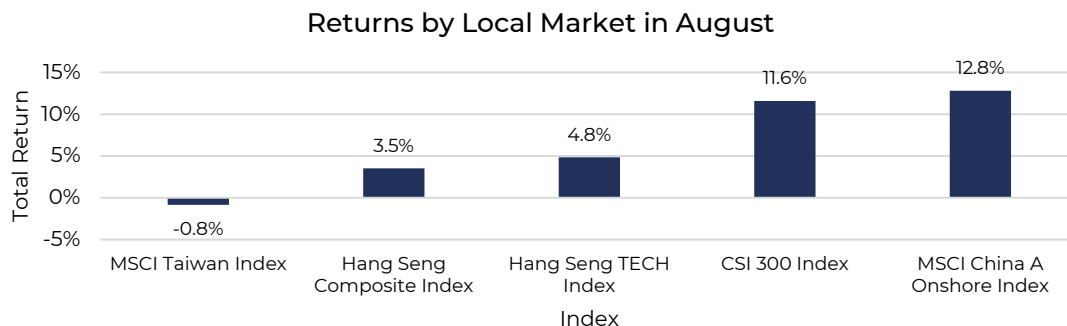
- The government launched further stimulus, where it will subsidize one percentage point of interest on eligible personal and business loans. The maximum subsidy an individual is eligible for is CNY 3,000 (\$418), while the maximum for a business is CNY 10,000 (\$1,400). While the policy is positive, there is a possibility that funding for it was already included in this year's budget, so does not represent an increase in the fiscal deficit.
- The government is to provide free schooling for all children in their final year of kindergarten at state schools, which account for the vast majority of preschools in China.
- The tariff truce between the US and China was extended for a further 90 days.
- For the macro data covering July, positive data points were:
  - Industrial production grew by 5.7%.
  - Exports grew by 7.2%.
- Negative data points were:
  - Fixed asset investment (FAI) fell by 5.2% which was the first fall in 3.5 years. Manufacturing FAI fell by 0.3%, infrastructure FAI fell by 5.2% and real estate FAI fell by 17%.
  - Retail sales growth decelerated to 3.7%. Growth was stronger for goods eligible for subsidies, whereas non-eligible goods such as clothing and footwear were weak.

## Market Commentary

**(Performance data in the section in USD terms unless otherwise stated)**

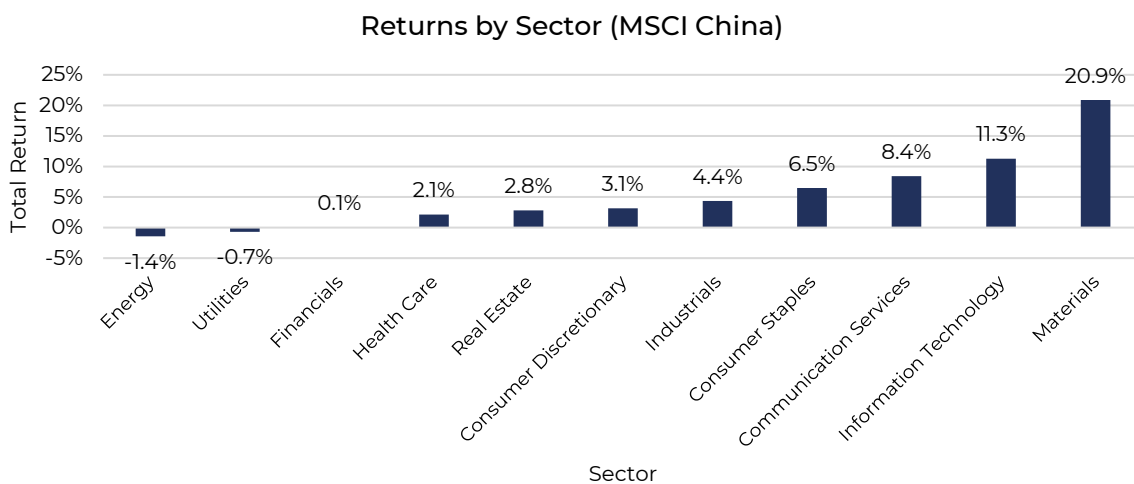


(Data from 07/31/25 to 08/31/25, returns in USD, source: Bloomberg, Guinness Atkinson calculations)



(Data from 07/31/25 to 08/31/25, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

In August, the MSCI China Index increased by 4.9% while the MSCI World Index rose by 2.6%. Onshore markets significantly outperformed offshore markets, as the MSCI China A Onshore Index rallied by 12.8% while the Hang Seng Composite Index rose by 3.5%. Retail activity in the onshore market increased, driven partly by AI stocks. We estimate nearly half of the gains in the onshore market were driven by AI names in the Information Technology sector. In particular, the biggest contributors to the sector's performance were Cambricon (+112.4%), Foxconn Industrial Internet (+57.0%), Eoptolink Technology (+90.1%) and Zhongji Innolight (+64.7%).



(Data from 07/31/25 to 08/31/25, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

The best performing sectors in the month were Materials (total return +20.9%), Information Technology (+11.3%) and Communication Services (+8.4%). The strength in Materials was driven by the anti-involution policy which aims to cut overcapacity in certain sectors. In the Information Technology sector, AI names rallied driven by Cambricon (+112.4%), Foxconn Industrial Internet (+57.0%), Eoptolink Technology (+90.1%) and Zhongji Innolight (+64.7%). In Communication Services, Tencent rose 9.2% as it reported slightly better than expected quarterly results with the highest revenue growth in years and record margins.

The weakest sectors were Energy (-1.4%), Utilities (-0.7%) and Financials (+0.1%). The Energy and Utilities sectors, which are regarded as more defensive areas, lagged in a risk-on environment. Financials lagged as investors sold off the high yield state owned banks in favour of growth stocks.

Edmund Harriss (portfolio manager)  
 Sharukh Malik (portfolio manager)

## Performance

In August, the Guinness Atkinson China & Hong Kong Fund increased by 6.82% while the MSCI China Net Total Return Index increased by 4.96%. Therefore, the Fund outperformed by 1.86%.

In August, relative to the MSCI China Index, areas which helped the Fund's performance were:

- Stock selection in the Information Technology sector, driven by Shenzhen H&T Intelligent.
- Stock selection in the Industrials sector, driven by Shenzhen Inovance Technology, Hongfa Technology and Sany Heavy Industry.
- Stock selection in the Health Care sector, driven by Sino Biopharmaceutical (SBP).

In August, areas which detracted from the Fund's relative performance were:

- The underweight to Tencent which is the largest stock in the index with a 18% weight. The Fund is run on an equally weighted basis and so each position has a neutral weight of 3.3%. As Tencent outperformed in the month, the Fund benefited from less of its outperformance than the index.
- Stock selection in the Consumer Discretionary sector, driven by Travelsky (held), Trip.com and Pop Mart (neither held).

As of 08/31/2025	YTD	1 Year	3 Year	5 Year	10 Year
<b>China &amp; Hong Kong Fund (ICHKX)</b>	<b>24.25%</b>	<b>41.49%</b>	<b>1.45%</b>	<b>-2.99%</b>	<b>4.12%</b>
<b>MSCI China Net Total Return Index</b>	<b>29.04%</b>	<b>47.62%</b>	<b>9.89%</b>	<b>-1.98%</b>	<b>5.57%</b>

As of 06/30/2025	YTD	1 Year	3 Year	5 Year	10 Year
<b>China &amp; Hong Kong Fund (ICHKX)</b>	<b>11.70%</b>	<b>21.70%</b>	<b>-6.39%</b>	<b>-2.96%</b>	<b>0.36%</b>
<b>MSCI China Net Total Return Index</b>	<b>17.33%</b>	<b>33.78%</b>	<b>3.06%</b>	<b>-0.99%</b>	<b>2.11%</b>

All returns over 1 year annualized. *Source: Bloomberg, Guinness Atkinson Asset Management.*

Expense Ratio: 1.94%

*Performance data quoted represents past performance; past performance 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. Performance data shown is current to the most recent month and quarter end. To obtain performance as of the most recent month end, please visit [www.gafunds.com](http://www.gafunds.com) or call 1-800-915-6565. Performance data does not reflect the 2% redemption fee for shares held less than 30 days and, if deducted the fee would reduce the performance noted.*

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***The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-915-6566 or visiting [gafunds.com](http://gafunds.com). Read it carefully before investing.***

**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 China and/or Hong Kong stock markets in which the Fund invests may experience periods of volatility and instability. These fluctuations may cause a security to be worth less than it was at the time of purchase. Market risk applies to individual securities, a particular sector or the entire economy. China and/or Hong Kong stocks may fall out of favor with investors, the value of Chinese currencies may decline relative to the U.S. dollar and/or China or Hong Kong stock markets may decline generally. The Fund invests in invest in small-cap or mid-cap, which involve additional risks such as limited liquidity and greater volatility, than investments in larger companies.**

One cannot invest directly in an Index.

P/E ratio is a current stock price over its earnings per share. The forward P/E ratio is a current stock's price over its "predicted" earnings per share. If the forward P/E ratio is higher than the current P/E ratio, it indicates decreased expected earnings.

The Producer Price Index (PPI) program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.

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. Average price data for select utility, automotive fuel, and food items are also available.

USD/CNY is the abbreviation for the US Dollar and Chinese Yuan pair. It shows how much the USD (base currency) is worth as measured against the CNY (counter currency).

The Shanghai Shenzhen CSI 300 Index is a market capitalization-weighted stock market index designed to replicate the performance of the top 300 A-share stocks traded in the Shanghai and Shenzhen stock exchanges.

Hang Seng Composite Total Return Index is a market capitalization weighted index that monitors the performance of stocks listed in Hong Kong.

A nonperforming loan (NPL) is a loan that is in default due to the fact that the borrower has not made the scheduled payments for a specified period.

MSCI AC Asia Pacific ex Japan Index is free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of countries in the Asia Pacific region.

MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of European markets.

MSCI EM Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Emerging markets in Asia, Europe, Middle East, Africa and Latin America.

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). With 703 constituents, the index covers about 85% of this China equity universe.

The MSCI China A Index captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges. The index covers only those securities that are accessible through "Stock Connect". The index is designed for international investors and is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).

The MSCI China A Onshore Index captures large and mid cap representation across China securities listed on the Shanghai and Shenzhen exchanges

MSCI Hong Kong Index is a capital weighted stock index designed to measure the performance of the large and mid cap segments of the Hong Kong market. It has 48 constituents and covers approximately 85% of the free float-adjusted market capitalization of Hong Kong equity stocks.

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

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 China Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across the Chinese equity markets.

MSCI China Value Index captures large and mid cap Chinese securities exhibiting overall value style characteristics. 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.

S&P 500 Index is a market-capitalization-weighted index of leading publicly traded companies in the U.S.

The Hang Seng Composite Index ("HSCI") offers a comprehensive Hong Kong market benchmark that covers about the top 95th percentile of the total market capitalisation of companies listed on the Main Board of the Stock Exchange of Hong Kong ("SEHK").

Hang Seng TECH Index represents the 30 largest technology companies listed in Hong Kong that have high business exposure to technology themes and pass the index's screening criteria.

The MSCI Taiwan Index is designed to measure the performance of the large and mid cap segments of the Taiwan market. With 90 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Taiwan.

Privately owned enterprise (POE) is a business that is managed by an independent company or private individual — rather than the Chinese Government or the host country government. While these companies may issue stock and have shareholders, their shares are not listed on public exchanges.

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

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Price/Earnings ratio (P/E) is an equity valuation multiple. It is defined as market price per share divided by annual earnings per share

Opinions expressed are subject to change, are not a guarantee and should not be considered investment advice. Past performance is not indicative of future results.

Dividends are not guaranteed and may fluctuate. Earnings growth and Income growth are not a measure of future performance.

Top Fund Holdings as of 8/31/2025:

1. Shenzhen H&T Intelligent Control Co., Ltd	6.20%
2. Tencent Holdings Ltd	5.04%
3. Geely Automobile Holdings Ltd	4.44%
4. Hong Kong Exchanges & CL	3.97%
5. NetEase Inc	3.67%
6. AIA Group Ltd	3.63%
7. Ping An Insurance Group Co of China Ltd - H Shares	3.61%
8. Shenzhen Inovance Technology Co Ltd	3.58%
9. Sino Biopharmaceutical Ltd	3.51%
10. Shandong Himile Mechanical Science & Technology Ltd	3.50%

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

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