

---

Fund Commentary

- In the quarter, the strongest stocks in the Fund were Shenzhen H&T Intelligent, Alibaba and Baidu. The weakest were Meituan, China Merchants Bank and BYD.
- We sold Shenzhen H&T Intelligent as after its very strong rally, it no longer presented an attractive annualized return. Though the business gives a small exposure to AI, its medium-term earnings growth is ultimately dictated by its home appliance and power tools segments, which are more mature areas. We believe the growth rates required for the stock to justify its current valuation are unlikely to be realized.
- On a sector basis, the Fund's largest exposures are to the Consumer Discretionary (36% exposure), Industrials (24%) and Communications Services (13%) sectors. Relative to the MSCI China Index, the Fund is overweight in the Industrials (20% overweight) and Consumer Discretionary (5%) sectors. The Fund is underweight in the Communication Services (10%) sector.
- On a listing basis, the Fund has 52% exposure to stocks listed in Hong Kong and 33% exposure to the A share market. Relative to the MSCI China Index, this makes the Fund 20% overweight to the A share market and 30% underweight to stocks listed in Hong Kong.
- China's equity markets have surged despite weak macro data, led by expensive onshore AI names. For most of these stocks, we believe much of their current market valuation is based on uncertain future cashflows. The last time we saw so much value attributed to future growth was at the peak of China's COVID rally in early 2021, and so we are staying away from these names.
- The MSCI China Index is now trading on a forward price/earnings ratio of 13.4x. However, the banks account for ~10% of the Index and these trade on a much lower forward price/earnings ratio of 5.3x; consequently, they significantly lower the valuation of the whole market. We estimate that the MSCI China Index ex. Banks is actually valued on 16.1x earnings which is higher than its long-term average of 14.3x.
- The Fund meanwhile, is trading on a forward price/earnings ratio of 13.3x, which is below the holdings' long-term average of 15.0x. While the broader market is now trading above its long-term average, the Fund remains attractively valued on a relative and absolute basis.

Macro Commentary

Macroeconomics

- China's economic data was overall weak in August, which we think has increased the probability of further stimulus in the fourth quarter.
- The government launched an anti-involution policy, which aims to cut overcapacity in certain sectors and improve Producer Price Inflation (PPI), which has been firmly in negative territory since the end of 2022. In August we saw producer price deflation narrow for the first time in 14 months, with a year-on-year fall of 2.9%.
- Industrial production grew by 5.2% YoY (year-over-year) in August. Fixed asset investment (FAI) fell by 6.3%, likely due to these policy efforts with manufacturing investment down 1.3%, infrastructure down 5.9% and real estate down 19%.
- Retail sales grew by 3.4% in August, a lower rate than the 3.7% growth rate in July. Growth rates are highest for goods eligible for trade-in subsidies. According to JP Morgan research, retail sales for trade-in goods (excluding autos) was 13% in August, though this was lower than the 21% growth rate in July. For goods not eligible for trade-in subsidies, the growth rate was just 1%.
- To boost consumption in September the government launched further stimulus, where it will subsidize one percentage point of interest on eligible personal and business loans. The maximum subsidy per individual is CNY 3,000 (\$418), while the maximum for a business is CNY 10,000 (\$1,400). The policy looks to be positive. The Funding may already be included in this year's budget and if so, does not represent an increase in the fiscal deficit.

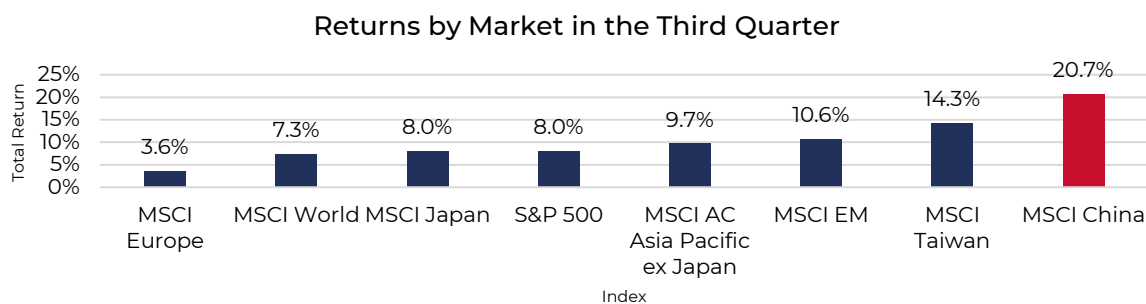
- The government is to provide free schooling for all children in their final year of kindergarten at state schools, which account for the vast majority of preschools in China.
- Tier 1 cities further eased Home Purchase Restrictions (HPR), reducing or eliminating caps on purchases for eligible residents outside core areas. This was in response to continued weakness in real estate data. In August, new home sales (as measured by floor space) fell by 10%, new home starts fell by 19% and home completions fell by 28%.

Geopolitics

- The Shanghai Cooperation Organisation summit was held in China. Xi Jinping and Narendra Modi met on the sidelines, where Xi said China and India were co-operation partners, not rivals. Given that US tariffs on Indian goods are now as high as 50%, it seems Modi is seeking to diversify India's geopolitical relations.
- The US government revoked "Validated End User" authorizations for Samsung's, TSMC's and SK Hynix's fabs (factories) in China. This means the companies now need a license to export US equipment to fabs in China. Licenses will be granted for existing fabs but not for new plants or to upgrade tech.
- Reports indicate the US administration is considering restricting purchases of drugs from China. The rationale would be to boost domestic US production. Tax credits would also be offered to companies moving manufacturing to the US. Lobbyists are proposing the Committee on Foreign Investment in the United States (CFIUS) review American companies buying experimental drugs from Chinese companies. Some would also like to discourage companies from relying on clinical trial data from patients in China, through a more rigorous review process by the US FDA and higher regulatory fees. Large American pharmaceutical companies may be against the proposal as they currently benefit from buying attractively priced early-stage products from China.
- Representatives of China and the US met in Madrid, agreeing on a framework to let American investors buy into Tiktok. A joint venture (Tiktok US) will be formed to run Tiktok's US business where non-Chinese investors will hold 81.1% of the JV and ByteDance will hold 19.9%. Oracle, Silver Lake (both American) and MGX (an Abu Dhabi state owned fund) will collectively hold a 45% stake in the JV. Existing and new American investors will hold the other 35% stake. Bytedance will lease a copy of its algorithm to the JV, which will then be retrained for what is deemed suitable for US audiences.
- Xi Jinping and Donald Trump later spoke on the phone and will meet at the Asia-Pacific Economic Cooperation (APEC) Summit in Korea next month. Trump was also invited to visit China next year.
- The tariff truce between the US and China was extended for a further 90 days.

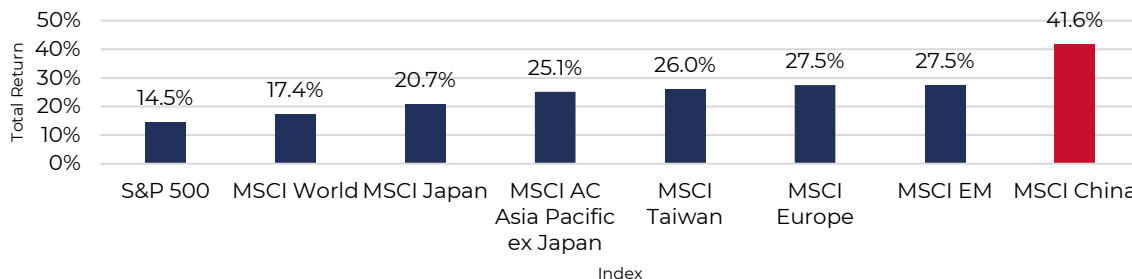
Market Commentary

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



(Data from 06/30/25 to 09/30/25, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

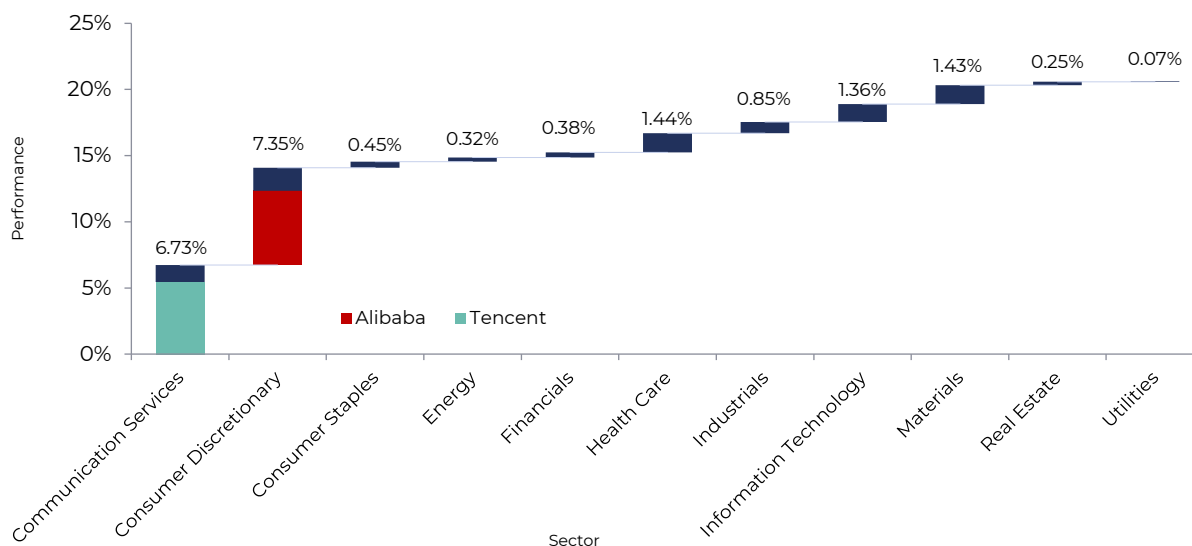
**Returns by Market Year-to-Date**



(Data from 12/31/24 to 09/30/25, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

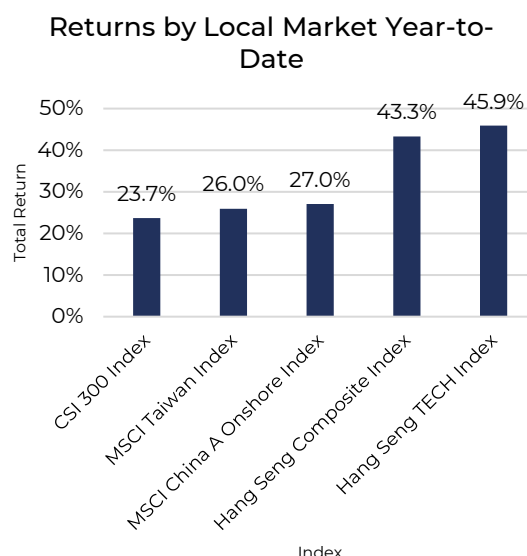
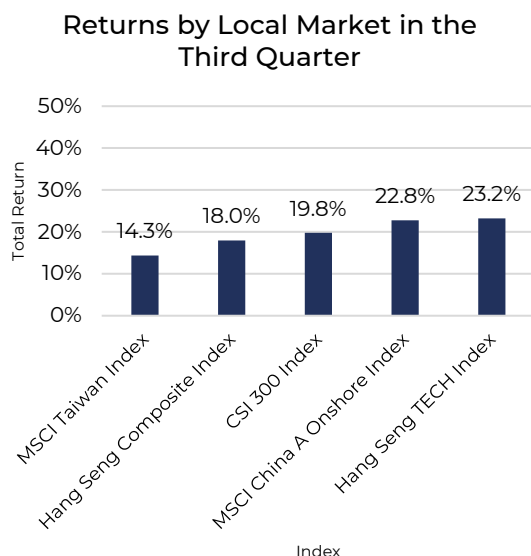
Chinese markets were strong in the third quarter, rising every month to end the quarter up 20.7%. This was well ahead of the S&P 500 Index which rose by 8.0% and the MSCI World Index which rose by 7.3%. Year-to-date, Chinese markets have risen by 41.6%, well ahead of the 14.5% rise for the S&P 500 Index and the 17.4% rise for the MSCI World Index.

**Sector Contribution to MSCI China's Total Return in the Third Quarter**



(Data from 06/30/25 to 09/30/25, returns in USD, source: Factset, Guinness Atkinson calculations)

Of the 20.7% rise in the MSCI China Index in the third quarter, we estimate approximately 5.6 percentage points (pp) was driven by Alibaba and 5.4pp from Tencent. Or in other words, 53% of the index's rally was driven by just two stocks. More broadly, AI related stocks did well and so below we show each sector's contribution to MSCI China's rally. Of the 20.7% rise in the index, 7.4pp came from the Consumer Discretionary sector (which contains Alibaba) and 6.7pp came from the Communication Services sector (which contains Tencent and other app-based companies).



(Left chart: data from 06/30/25 to 09/30/25, right chart: data from 12/31/24 to 09/30/25, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

In the third quarter, onshore markets outperformed as the MSCI China A Onshore Index increased by 22.8%. This was ahead of offshore markets, as measured by the Hang Seng Composite Index which rose by 18.0%.

In the onshore market, 46% of the gains were driven by the Information Technology sector, with the AI names leading the way. The most significant drivers were Foxconn Industrial Internet, Cambricon Technologies, Zhongji Innolight, Hygon Information, Eoptolink Technology and Luxshare Precision. A further 21% of the gains in the market were contributed by the Industrials sector (driven by CATL and Sungrow Power Supply) and 15% from the Materials sector.

Meanwhile in the offshore market, the strength was led by a narrow set of names. Predominantly Alibaba and Tencent drove a large portion of the market's rise, with additional but much smaller contributions from HSBC, SMIC, Zijin Mining Group, Kuaishou and Baidu.

#### Stock Performance in the Fund in the Third Quarter

##### Strongest Stocks



Shenzhen H&T Intelligent (total return +116.4% in the third quarter) is a manufacturer of controllers, which are small chips that act as the "brain" of a device. H&T's controllers are predominantly used for home appliances and power tools, with automotive controllers also a growing source of revenue. The stock has benefited from a surge in interest in AI related stocks, as H&T's controllers are also used to control smart devices such as robot vacuum cleaners. More importantly, H&T is one of the few listed companies with exposure to Moore Threads which is a GPU chip designer founded by the ex-head of Nvidia China. The business has been preparing for an IPO and has attracted attention from the market as a potential challenger to Nvidia in the long-term. H&T has just over a 1% stake in Moore Threads and so its stock price has significantly benefited, and perhaps disproportionately, from this stake. Towards the end of the

quarter, H&T's share price had significantly outperformed and so we rebalanced the position in the Fund to lock in gains. Very shortly after this we exited the full position - see Switches section for detail.



Alibaba (total return +62.6%) was very strong due to interest in the growing AI and cloud business. In September management increased their guidance for capex (capital expenditures) over the next three years, expecting to spend more than the originally guided for CNY 380bn (\$53bn). The company expects data power consumption to increase by 10x by 2032, compared to 2022. Alibaba also announced it would work with Nvidia to use their chips in Alibaba's AI cloud platform. Additionally, Alibaba will launch its first data centres in Brazil, France and the Netherlands, with construction also planned in Mexico, Japan, Korea, Malaysia and Dubai. In its most recent quarterly results, the cloud business was strong with revenue growth accelerating to 26%, accompanied by rising margins. Alibaba's core e-commerce business saw revenue growth of 10%, though profits fell due to subsidies for its quick commerce segment, driven by the price war with JD.com and Meituan in the food delivery segment. On food delivery, management is expecting losses to peak in the third quarter.



Baidu (+61.0%) was also strong in the AI led rally. It operates China's largest search engine and also has its own Large Language Model (LLM) called Ernie. While the consensus view is that Ernie is not as good as Alibaba's Qwen or Deepseek, it is still one of the better ones in China. It is certainly good enough to help power Baidu's cloud business which grew revenue by 27% in the second quarter to reach CNY 6.5bn / \$0.9bn. This was higher than the growth rate for Alibaba's cloud business (23%, revenue CNY 32.6 bn / \$4.6bn) and Tencent's (7%, revenue CNY 9.3bn / \$1.3bn). Baidu also operates Apollo Go which is China's largest robotaxi service, operating more than 1,000 cars in the second quarter with a goal to reach 2,500 by the end of the year.

#### Weakest Stocks



Meituan (total return -15.9% in the third quarter) runs China's largest food delivery platform and also operates a quick delivery e-commerce business. In response to Meituan's progress in on-demand delivery, JD.com (held in the Fund) entered the food delivery industry this year, providing significant subsidies in an attempt to rapidly gain market share. This forced Meituan to respond by also subsidizing prices, leading to losses that were higher than expected in the second quarter. Meituan is guiding for losses to continue in the third quarter as JD and Alibaba continue with subsidies. We believe that once Alibaba and JD focus on profitability and scale back on subsidies, Meituan's earnings are likely to recover, though its market share is unlikely to be as high as before. Additionally, given Meituan's small market share in the instant e-commerce industry, there is upside in terms of the number of customers it can attract.



China Merchants Bank's (CMB) (-10.4%) net interest margins declined, though at a slower pace compared to previous quarters. To stimulate the property market, the government has allowed for existing mortgages to be priced at lower rates. Compared to its peers, CMB has the largest exposure to mortgage loans so has been more affected by this policy. Additionally, non-performing loan (NPL) ratios for retail loans have been increasing since 2024 and management expect this to continue, due to the relatively weak macro environment. Fee income also fell, due to lower fees from bank cards and asset management products. Though the stock underperformed CMB should indirectly benefit from the equity rally in its third quarter results, as it operates the largest wealth management franchise in China.



BYD's (-9.2%) second quarter earnings missed on earnings rebates offered to dealers, the rollout of its "God's Eye" Advanced Driver Assistance System (ADAS) which added to costs without a corresponding increase in prices, and price cuts from April. High R&D costs also put pressure on earnings which is expected to continue into the second half of the year, with which we have no issue his. BYD's R&D spend is now the same as Toyota's which sells far more cars. Going forward, BYD's management will strengthen cost control going forward. The domestic sales target of 2.2 million units in the second half may be tricky to reach. The foreign sales target of 0.8 million units for the full year is likely to be beat, as management is aiming for 0.9-1.0 million. Year-to-date (up to August), BYD has sold 24,000 units in the UK, with market share of 1.6%.

#### Switches and Portfolio Rebalancing

##### Switches



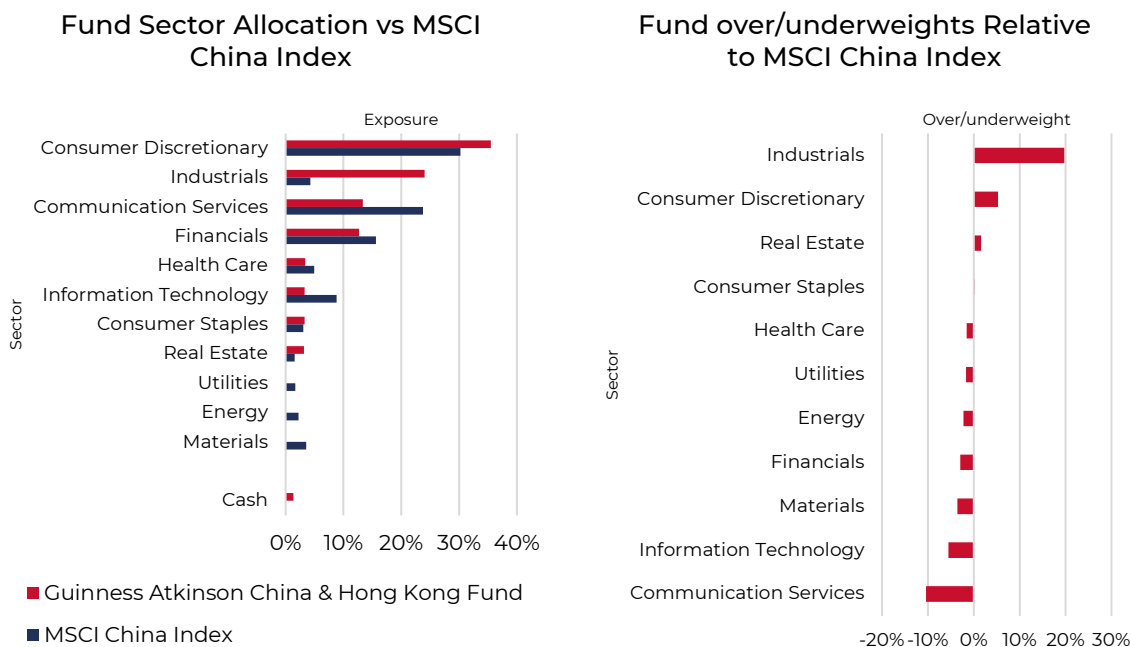
Shortly after rebalancing, we sold Shenzhen H&T Intelligent at the end of the quarter as the stock no longer provided an attractive annualised return. Using different valuation frameworks, we could not see the business growing at the rate required to justify the market valuation. Though the business gives exposure to AI, its medium-term earnings growth is ultimately driven by its home appliance and power tools segments, which are more mature areas. We also carried out a sum of the parts valuation to take into account H&T's stake in Moore Threads. Even when using very optimistic assumptions to value Moore Threads, it ultimately accounts for a small portion of H&T's overall value.

##### Rebalancing

- In July, we rebalanced outperformer Sino Biopharmaceutical. With the proceeds, we topped up on lagging names in the Fund which were Hangzhou First Applied Material and Suofeiya Home Collection.
- In September, we rebalanced Shenzhen H&T Intelligent after a very strong run of outperformance. Soon after, we exited the full position. With the proceeds, we topped up on lagging names in the Fund.

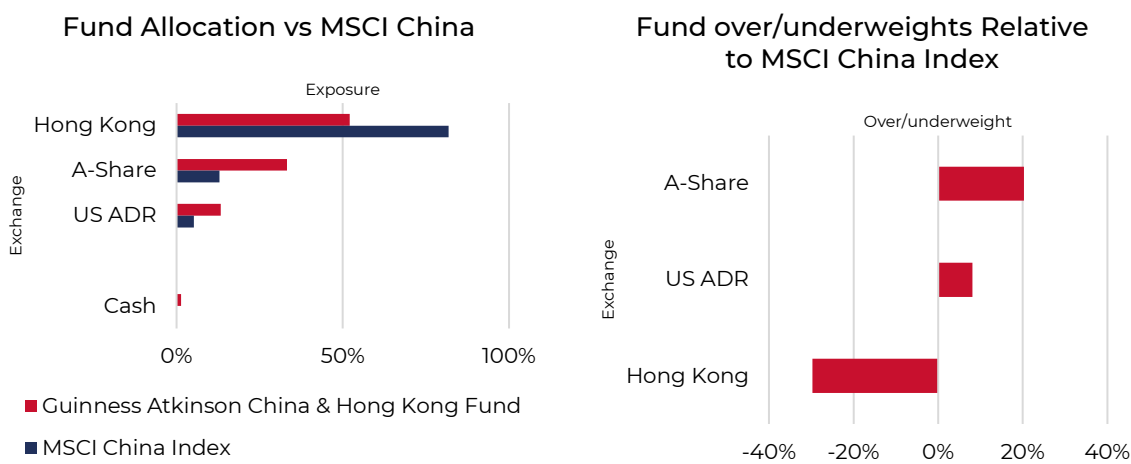
Portfolio Positioning

On a sector basis, the Fund's largest exposures are to the Consumer Discretionary (36% exposure), Industrials (24%) and Communications Services (13%) sectors. Relative to the MSCI China Index, the Fund is overweight in the Industrials (20% overweight) and Consumer Discretionary (5%) sectors. The Fund is underweight in the Communication Services (10%) sector.



(Data as of 09/30/25, source: Guinness Atkinson calculations, Bloomberg)

On a listing basis, the Fund has 52% exposure to stocks listed in Hong Kong and 33% exposure to the A share market. Relative to the MSCI China Index, this makes the Fund 20% overweight to the A share market and 30% underweight to stocks listed in Hong Kong.



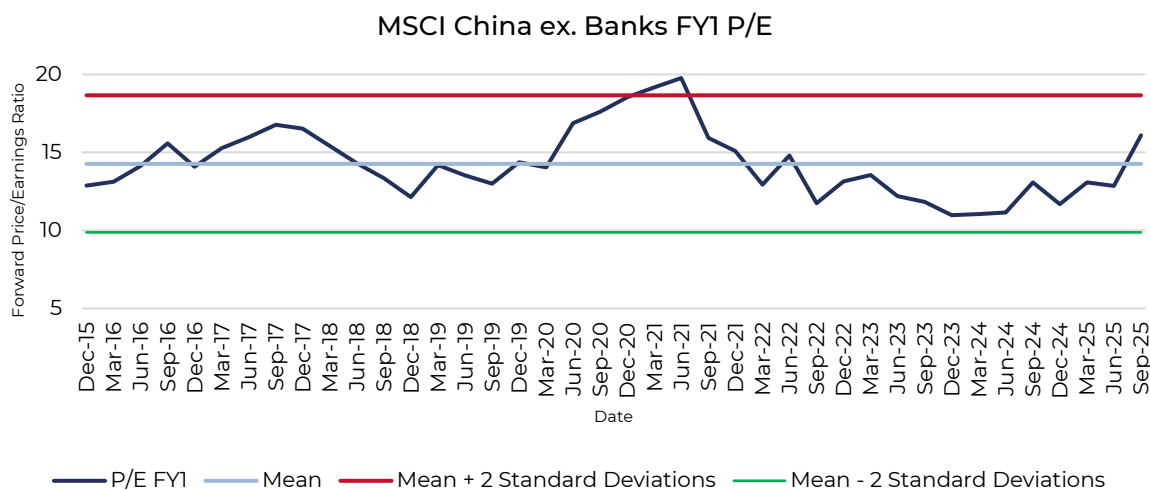
(Data as of 09/30/25, source: Guinness Atkinson calculations, Bloomberg)

Outlook

China's economy is producing weaker macroeconomic data but its stock markets are booming. We believe many of the AI stocks which have driven the gains, particularly in onshore markets, are significantly overvalued and are now very unlikely to yield positive returns from here over the medium term.

Forward price/earnings ratios are high for most of these companies, but this is not necessarily a reason for a stock to be overvalued. Our issue is that for most of these onshore AI stocks to generate a positive shareholder return, they will need to deliver very high earnings growth to offset a potential valuation de-rating over the next few years. These high growth expectations are simply too uncertain. If growth is weaker than expected, these onshore AI stocks could suffer from very sharp valuation de-ratings. Using a systematic discounted cash flow (DCF) approach, we find that for the majority of AI names in the onshore market which have driven recent strength, 70-90% of the current market valuation is derived from highly uncertain future cashflows.

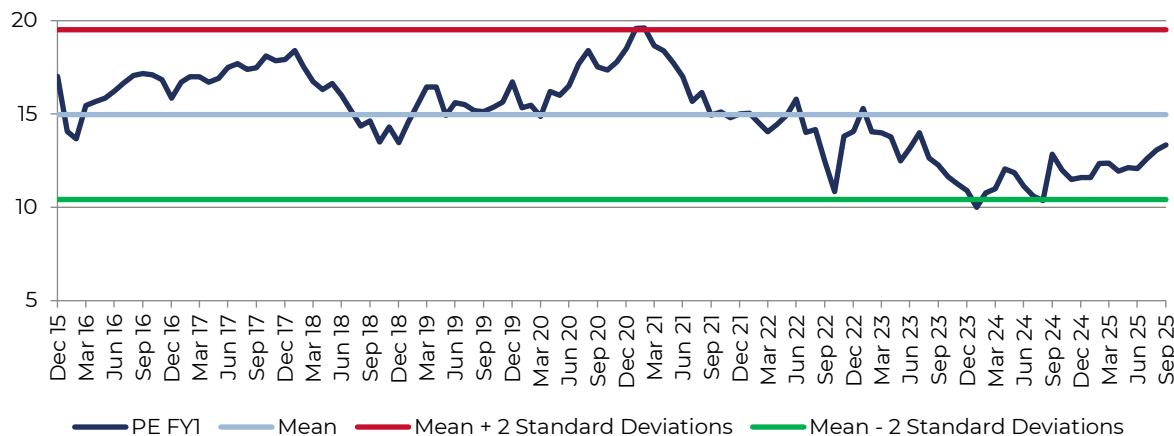
The last time we saw so much value attributed to future growth was at the peak of China's covid rally in early 2021. The benefit of hindsight has shown that these valuations were far too high. We are therefore staying away from these onshore AI stocks. The exceptions to this are Tencent and Alibaba, which of the main stocks driving the offshore market, are still trading on moderate valuations.



(Data as of 09/30/25, source: Guinness Atkinson calculations, Bloomberg)

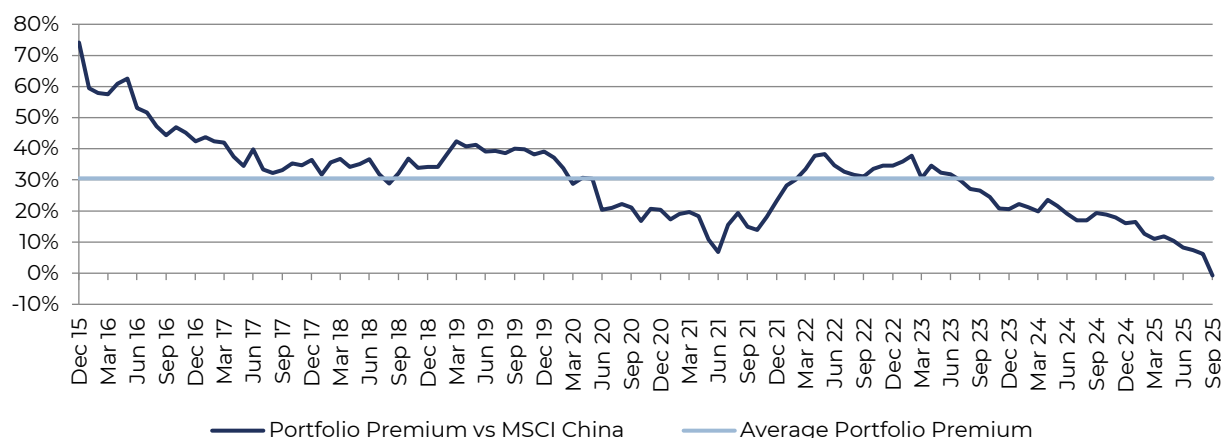
On valuations, the MSCI China Index is now trading on a forward price/earnings ratio of 13.4x. However the banks account for ~10% of the Index and these trade on a much lower forward price/earnings ratio of 5.3x; consequently, they significantly lower the valuation of the whole market. We estimate that the MSCI China Index ex. Banks is actually valued on 16.1x earnings which is higher than its long-term average of 14.3x. A price/earnings ratio of 18.7x, which is two standard deviations above the 10-year average, would now only require a 16% valuation re-rating.

Forward Price/Earnings Ratio for Current Holdings



(Data from 12/31/15 to 09/30/25, source: Guinness Atkinson calculations, Bloomberg)

Current Holdings' Premium vs MSCI China Index



(Data from 12/31/15 to 09/30/25, source: Guinness Atkinson calculations, Bloomberg)

On the other hand, the Fund is trading on a forward price/earnings ratio of 13.3x, which is below the holdings' long-term average of 15.0x. While the broader market is now trading above its long-term average, the Fund remains attractively valued on a relative and absolute basis.

Despite the Fund rising 16.4% over the quarter, its valuation premium turned into a discount of -1%. In our analysis, an expansion in valuations drove 20% of the 21% rise in the MSCI China Index. By contrast, the Fund's 16% rise was driven by a combination of 5% earnings growth and a 10% valuation expansion. In other words, we believe the Fund's performance has greater fundamental support and has been accompanied by lower valuation risk.

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

Performance

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

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

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

- Underweight to Alibaba (total return +62.6%) and Tencent (+33.0%). In the index, as of end-Sep, Tencent and Alibaba were the two largest stocks, with an Index weight of 18.1% and 12.9% respectively. The Fund is run on an equally weighted basis and so each position has a neutral weight of 3.3%. The structural underweight positions cost the Fund in relative terms.
- Stock selection in the Consumer Discretionary sector, driven by Pinduoduo and Trip.com (neither held).
- The underweight to the Materials sector where we have no exposure. Zijin Mining Group, CMOC and Chong Hongqiao Group were strong, boosted by the government's anti-involution policy.

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

- Stock selection in the Industrials sector, driven by Shenzhen Inovance Technology and Sany Heavy Industry.

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

- Underweight to Alibaba (total return +53.3%) and Tencent (+11.4%).
- The underweight to the Materials sector where we have no exposure. Zijin Mining Group and CMOC were strong, boosted by the government's policy on constraining excess capacity.

As of 09/30/2025	YTD	1 Year	3 Year	5 Year	10 Year
<b>China &amp; Hong Kong Fund (ICHKX)</b>	<b>29.98%</b>	<b>17.39%</b>	<b>8.27%</b>	<b>-1.69%</b>	<b>4.41%</b>
<b>MSCI China Net Total Return Index</b>	<b>41.62%</b>	<b>30.76%</b>	<b>19.44%</b>	<b>0.41%</b>	<b>6.76%</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.*

---

***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 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.

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.

The compound annual growth rate (CAGR) is the rate of return (RoR) that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span.

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.

---

In China, the National Bureau of Statistics (NBS) Manufacturing Purchasing Manager Index measures the performance of the manufacturing sector and is derived from a survey of more large-scale, state-owned companies. The Manufacturing Purchasing Managers Index is based on five individual indexes with the following weights: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stock of Items Purchased (10%), with the Delivery Times index inverted so that it moves in a comparable direction.

Fixed assets are long-term tangible resources like buildings, machinery, and vehicles that a company uses to operate its business and are not expected to be sold or depleted within a year.

Capital expenditures (CapEx) are funds companies use to acquire, upgrade, or maintain physical assets like buildings, technology, or equipment, with the goal of increasing operational scope or future economic benefits.

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.

Forward price-to-earnings (P/E) leverages forecasted earnings to assess a company's future value, providing investors with crucial insights despite potential variability in estimates.

The Caixin PMI measures the performance of the manufacturing sector and is derived from a survey of more private companies.

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".

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.

Discounted cash flow (DCF) is a financial model that calculates what an investment is worth today by projecting its future cash flows and adjusting them back to present value using a chosen discount rate.

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.

American depositary receipt (ADR) refers to a negotiable certificate issued by a U.S. depositary bank representing a specified number of shares—usually one share—of a foreign company's stock. The ADR trades on U.S. stock markets as any domestic shares would.

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

Many investors use the price-to-book ratio (P/B ratio) to compare a firm's market capitalization to its book value and locate undervalued companies. This ratio is calculated by dividing the company's current stock price per share by its book value per share (BVPS).

The dividend yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price.

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

USDCNY exchange rate refers to how many Renminbi one US dollar is worth.

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.

**Guinness Atkinson  
China & Hong Kong Fund**

Managers' Update – Review of September 2025



Top Fund Holdings as of 9/30/2025:

1. Tencent Holdings Ltd	5.37%
2. Baidu Inc	4.02%
3. NetEase Inc	3.96%
4. Shenzhen Inovance Technology Co Ltd	3.86%
5. Sany Heavy Industry Co	3.49%
6. Haier Smart Home Co Ltd	3.41%
7. NARI Technology Co Ltd	3.40%
8. Sino Biopharmaceutical Ltd	3.38%
9. Weichai Power Co Ltd - H Shares	3.38%
10. Shandong Himile Mechanical Science & Technology Co Ltd	3.34%

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

Distributed by Foreside Fund Services, LLC.