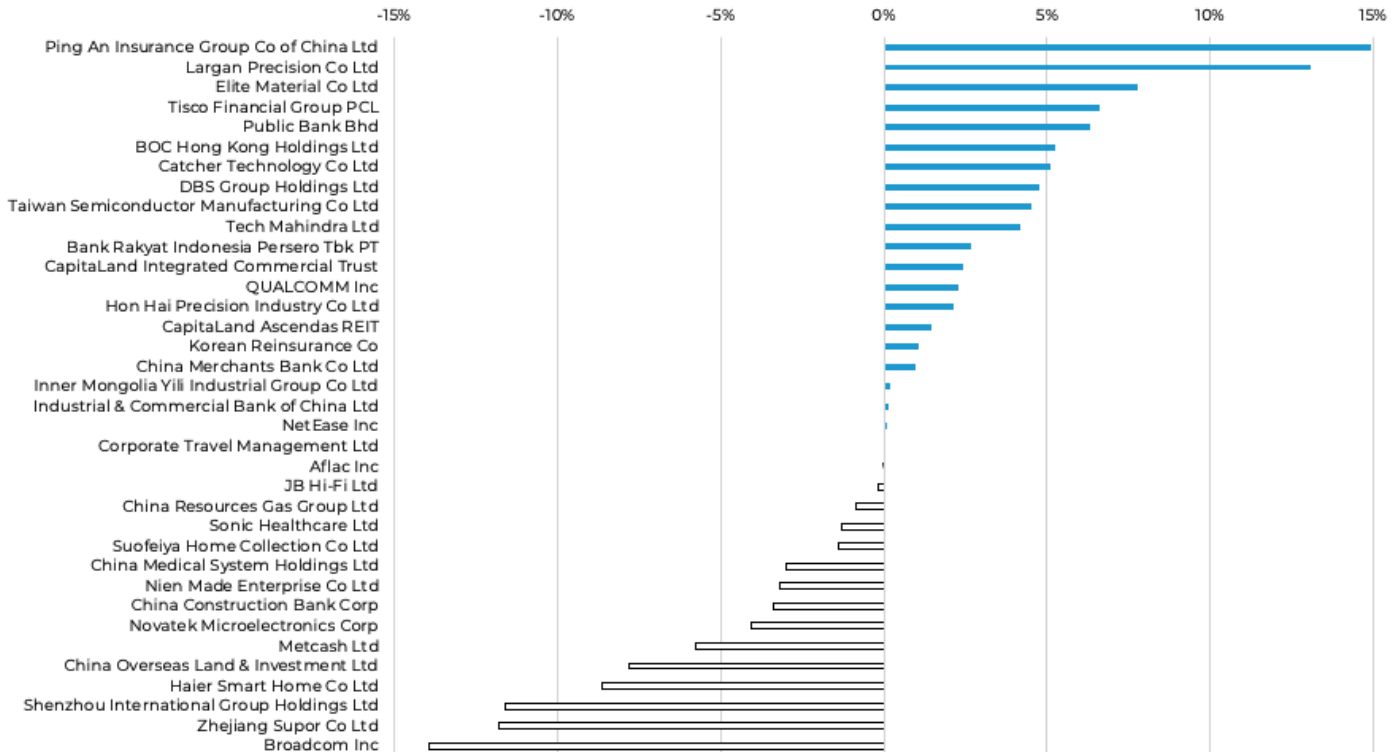


## Portfolio Performance

as of 12/31/2025

In December, ADIV was down -0.53% (NAV basis, down -1.18% market price)<sup>1</sup>, while the MSCI AC Pacific ex-Japan benchmark was up 3.43%. Asia initially performed relatively well in early 2025, but rising tariffs on emerging markets and a sharp escalation in US-China trade tensions following April’s “Liberation Day” triggered an equity sell-off. Increased intra-regional trade helped cushion the region, with Korea and Taiwan leading returns on the back of strong demand for chips and AI-driven advanced manufacturing, while China saw mixed results amid easing property pressures but ongoing manufacturing oversupply and deflation. Technology, Communication Services, Materials and Industrials led sector performance, while Utilities, Consumer Staples and Health Care lagged. For the Fund, gains were driven by stock selection in Financials and Health Care, partially offset by a zero weighting in key AI-related IT names and weaker selection in Consumer Discretionary, particularly Corporate Travel Management. Read on for more ADIV.

Holdings are subject to change. Go to [www.gafunds.com/our-funds/ADIV/](http://www.gafunds.com/our-funds/ADIV/) for current holdings.



**Top Performer:** *Ping An Insurance, 14.9% TR Month to Date*

**Bottom Performer:** *Broadcom Inc., -13.9% TR Month to Date*

<sup>1</sup> Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund 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 data quoted. Performance data current to the most recent month-end may be obtained by visiting [gafunds.com](http://gafunds.com), or calling (866) 307-5990. The returns shown are cumulative for the period, not annualized. Market prices return is based on the market price of Fund shares as of the close of trading on the exchange where the shares are listed.

# ADIV

## Guinness Atkinson Asia Pacific Dividend Builder ETF 2026 Annual Review & Outlook



As of 12/31/2025	YTD	1 Year	3 Years	5 Years	10 Years
<i>ADIV at NAV</i>	22.42%	22.42%	15.86%	7.53%	9.37%
<i>ADIV at Market Price</i>	21.88%	21.88%	16.14%	7.49%	9.35%
<i>MSCI AC Pacific ex-Japan NR</i>	35.79%	35.79%	16.28%	3.77%	8.39%

Expense Ratio: 0.78% (net) | 4.11% (gross)

The Adviser has contractually agreed to reduce its fees and/or pay ETF expenses in order to limit the Fund's total annual operating expenses to 0.78% through June 30, 2028.

*Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund 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 data quoted. Performance data current to the most recent month-end may be obtained by visiting [gafunds.com](http://gafunds.com), or calling (866) 307-5990. The returns shown are cumulative for the period, not annualized. Market prices return is based on the market price of Fund shares as of the close of trading on the exchange where the shares are listed.*

Effective as of the close of business on March 26, 2021, the fund acquired the assets and assumed the performance, financial and other historical information of the Guinness Atkinson Asia Pacific Dividend Builder Fund, an open-end mutual fund (incepted March 30, 2012). The fund's investment objectives, strategies and policies are substantially similar to those of the predecessor mutual fund and it was managed by the same portfolio managers. Performance information for periods prior to March 26, 2021 is the historical performance of the predecessor mutual fund and reflects the higher operating expenses of the predecessor mutual fund. The fund has lower expenses than the predecessor mutual fund. For periods prior to March 29, 2021, the fund's performance would have been higher than shown had it operated with the fund's current expense levels.

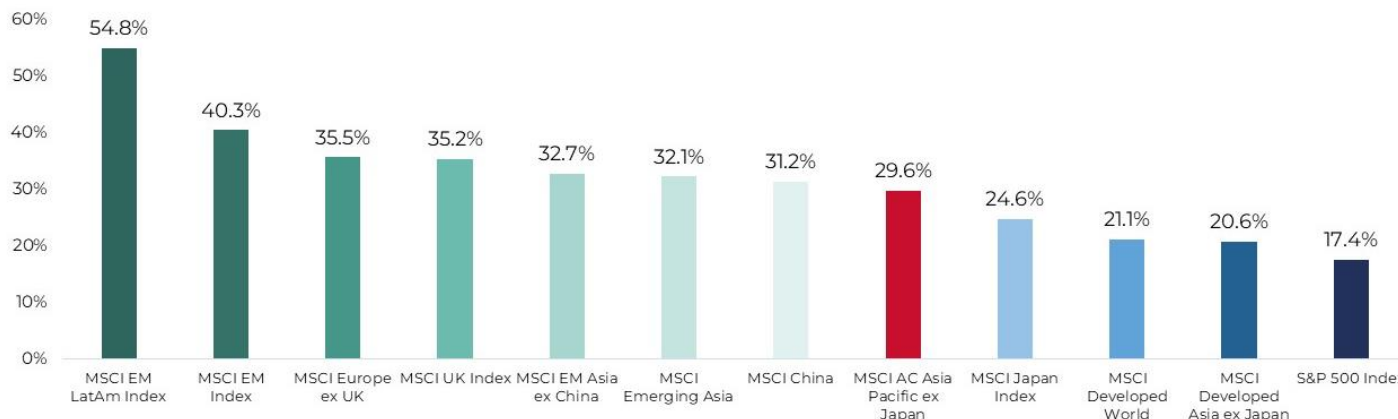
A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.

Subsidized yields reflect any fee waivers or reimbursements that may be in effect during a period, while unsubsidized yields do not.

## Review of 2025

2025 was a year in which markets faced the limits of policy credibility and the consequences of fiscal arithmetic.

World Markets' 2025 Performance in USD



*Source: Bloomberg. Developed Asia as measured by MSCI Pacific ex Japan NTR Index, Emerging Asia by MSCI EM Asia NTR Index, US by S&P 500 NTR Index and Europe ex UK by MSCI Europe ex UK NTR Index, all in US dollar terms to 12/31/25.*

From the outset, it was clear that the return of Donald Trump to the White House would have deep implications for global markets, not least because the administration's domestic and international agenda was being shaped by an unsustainable US fiscal position. Early in the year, a flurry of executive actions and policy signals made it evident that tariffs, spending restraint and institutional retrenchment would be used not only as economic tools, but also as instruments of political leverage. At the start of 2025, the overall budget deficit stood at approximately 5.6% of GDP, with a primary deficit of roughly 2.5%, and net interest costs exceeding 3% of GDP. Total federal debt was approaching the size of the US economy, with trillions of dollars needing refinancing annually, making the administration's attempts to reduce the deficit through the "3-3-3" plan (3% GDP growth, 3% deficit, additional production of 3 million barrels of oil per day) a challenge. The political reality was that meaningful cuts to mandatory spending would be deeply unpopular, particularly to Trump's voting base, leaving discretionary spending and foreign commitments as the most realistic targets. As a result, we saw renewed pressure on NATO allies, and aggressive use of tariffs as both a revenue source and a negotiating tactic. In addition, the administration also passed the One Big Beautiful Bill Act in mid-2025, permanently extending earlier tax cuts while simultaneously reducing select social expenditures, although this added to investor concerns that fiscal sustainability was being deferred rather than addressed, ultimately leading to a weakening US dollar.

Against this backdrop, January delivered another shock to the markets; the emergence of DeepSeek, a Chinese company that released an AI model reportedly capable of competing with leading US systems at a fraction of the training cost. While debate over the true economics of the model has continued, the broader message has been unmistakable- China's technological position needed to be reassessed by the rest of the world as it had caught up, and in some cases, surpassed the rest of the global market on several strategically

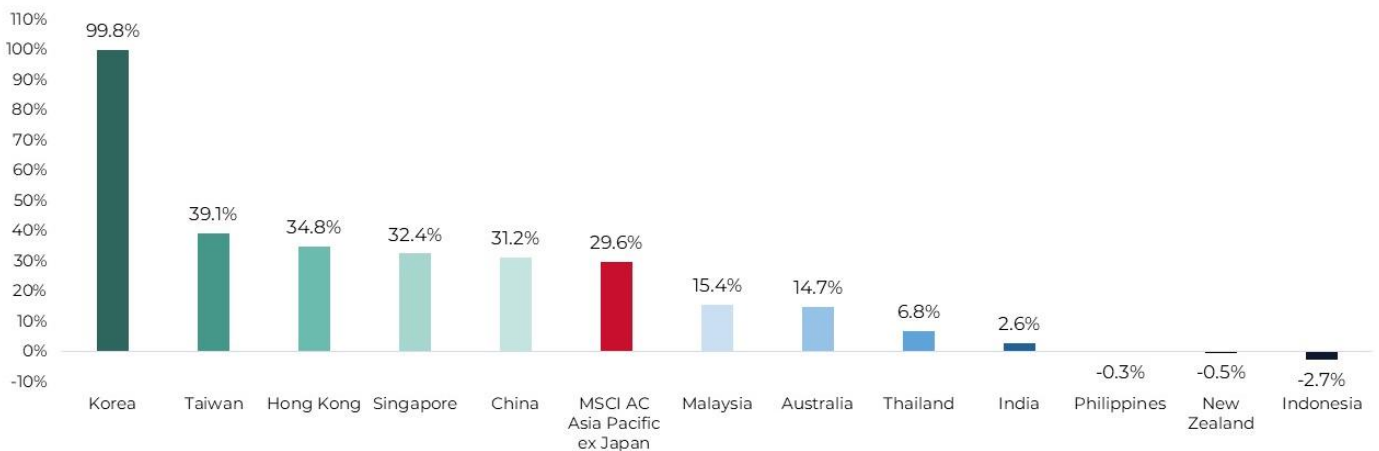
important technologies. We remind readers that this development was not isolated and is not “new”. China has in fact spent the last decade focusing on new growth pillars, including new energy, advanced manufacturing, and of course, next-generation technology.

During the earlier months of 2025, Asia performed relatively well. Tariff threats loomed but initial implementation was limited in scope, and the US administration’s focus remained largely domestic. Chinese equities benefitted from renewed interest in technology and innovation, and policy support for China’s property sector, while measured, helped stabilize sentiment and allowed investors to begin to look beyond the real estate legacy of the last decade. The narrative around China started to shift from one dominated by property and debt to one focused on higher value-added industries and technological capabilities.

However, international policy volatility intensified as the year progressed, led by April’s “Liberation Day”, where the US imposed a new regime of so-called reciprocal tariffs explicitly tied to bilateral trade imbalances rather than existing tariff schedules. This resulted in disproportionately high tariffs for several emerging economies in Asia and triggered a rapid escalation in trade tensions with China, resulting in retaliatory measures and, ultimately, a de facto trade embargo between two of the world’s largest economies. Markets reacted sharply, with sell-offs in global equities, and notably, a spike in long-dated US Treasury yields which eventually forced the Administration to announce a temporary pause on higher tariffs for most countries while maintaining punitive rates on China.

Exemptions were then quietly introduced on both sides to prevent critical supply disruptions, particularly in consumer electronics, energy inputs and selected semiconductor categories. However, uncertainty around trade policy led to real economic consequences, with shipping volumes declining, capacity being withdrawn, and supply chains starting to exhibit behaviors reminiscent of the early stages of the pandemic. Even when tariffs eventually eased, the adjustment process itself generated inflationary pressures through bottlenecks and higher logistics costs.

Asian Countries’ 2025 Performance in USD



Source: Bloomberg. MSCI region and country net total return (NTR) indices in USD terms as of 12/31/25.

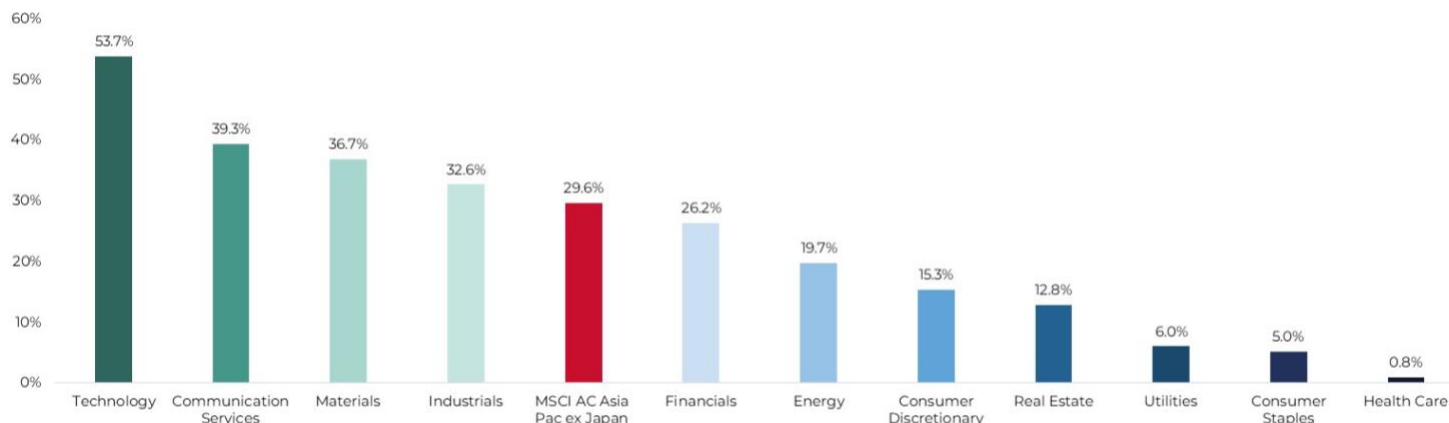
Market performance across Asia reflected these dynamics but also showcased the region's resilience as growing intra-regional trade created a cushioning effect to global tariff concerns. Starting with the underperformers, in India, robust domestic economic indicators were offset by high valuations, currency weakness, and rising US trade tensions linked to India's continued purchase of Russian energy. In ASEAN, performance was also mixed, with Thailand and Indonesia both experiencing inflows in foreign investment driven by lower relative valuations and tariff worries abating, only to be held back by political instability, governance and infrastructure challenges, and extreme weather events.

China has had a rather trickier year. Renewed confidence in China's innovation expertise and its ability to navigate through attempts of market access restriction in the US, drove outperformance versus the benchmark. However, concerns around the domestic economy have risen, tempering this outperformance in the second half of the year. While there is an incremental shift in market recognition that the real estate drag on the domestic economy is abating, the reality is that the slowdown has led to weakening local government finances, household sentiment, and domestic demand. Previous policies that supported manufacturing industries have now led to capacity outstripping the weakened demand, driving a deflationary environment.

The government has been pursuing an anti-involution policy to mitigate the deflationary environment and to limit excess capacity, but it will likely take some time before the full effects are seen. Unlike the deflationary environment of 2014-2015, overcapacity today lies primarily in the mid- and down-stream verticals (steel, cement, and EVs as examples), and more importantly, it lies with privately owned enterprises instead of state-owned ones. This creates a significantly trickier problem for the government to solve. They cannot rely on top-down, supply-side reforms, and they also have far less direct control over labor market adjustments. Instead, the government is forced to take a more granular, industry-specific approach, with execution of the policies largely delegated to the private companies themselves.

Elsewhere, Korea and Taiwan emerged as major beneficiaries of investment into AI infrastructure, with strong demand for chips and advanced manufacturing services driving corporate earnings. In Korea's case, while the market did extremely well in 2025, it is worth remembering that the market was coming off a relatively lower base; Korea was down over 23% in the previous year (2024). Singapore too, benefitted from the AI boom, along with strong gains in the country's financial and biomedical manufacturing industries. This led to the Singapore's strongest GDP growth since 2021, coming in at 4.8%, far above the initially expected range of 1.5% to 2.5%, and higher than the November upgrade of "around 4%".

## 2025 Asia Sector Performance in USD



Source: Bloomberg. MSCI AC Asia Pacific ex Japan sector indices in USD terms as of 12/31/25

Despite being the Asian sector that underperformed the most in 2025, Health Care still managed to finish the year marginally positive. Health Care has been an interesting space this year. Chinese names did particularly well in the first half as perceptions surrounding the trajectory of domestic reform improved. However, macro uncertainties related to tariffs and investor preference against typically defensive sectors this year has led to underperformance versus the benchmark.

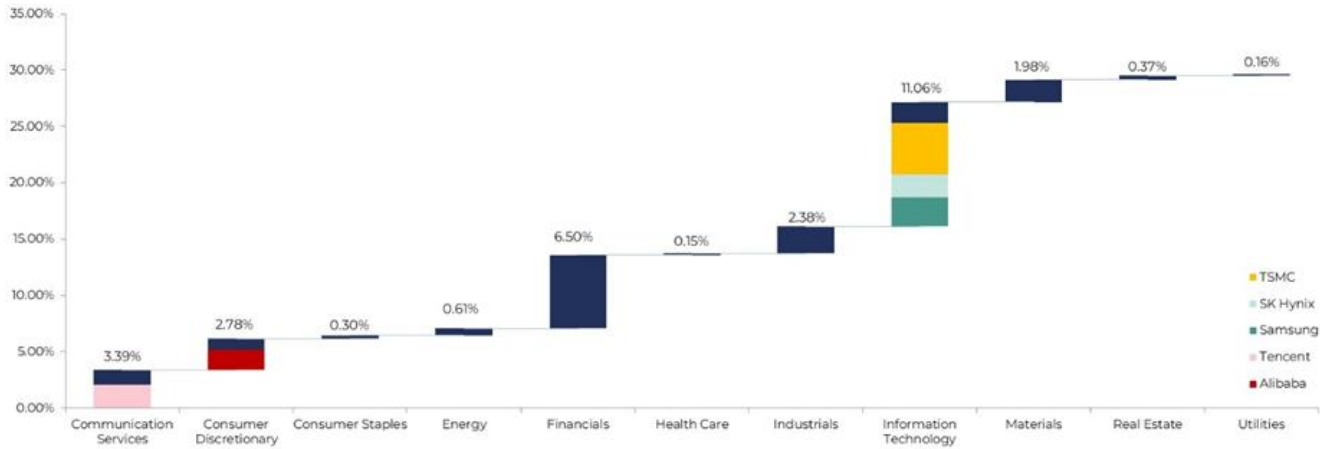
On the other side, Materials did well in 2025, driven by climbing commodity prices. Precious metals such as gold and silver saw prices rise 65% and 148% respectively through the year as investors rushed towards traditional safe-haven assets amid the growing trade policy volatility. Industrial metals too saw record prices, with copper gaining 38%, fueled by tariff concerns, as well as supply constraints as AI and renewable energy demand continued to accelerate.

AI has continued to be a hot topic in 2025, driving much of market performance, both globally and in Asia. While the early months of 2025 created an environment where all AI-related names seemed to be “winning”, the second half of the year brought increased scrutiny surrounding valuations and capital expenditure funding. Across the board, higher proportions of expected future growth have been incorporated into valuations leading to increased market sensitivity to any perceived disappointment. However, we also started to see bifurcations in AI stock performances as subsegments developed their own economic and competitive traits. Companies that focus on developing models and applications faced growing pushback on higher valuations despite negative earnings, and funding that has become increasingly reliant on debt markets. On the other hand, those directly related to infrastructure build-out tended to do better, driven by relentless demand for semiconductors, hardware and advanced manufacturing capacity, many of which are supplied by Asian companies. As a result of the continued AI strength, Technology and Communication Services (led by Tencent) were the strongest performing sectors in 2025.

We do, however, note that performance from AI-related names created clear concentration risk in 2025, with a small number of stocks accounting for an outsized share of index returns. As seen in the chart below, five names contributed over 44% of the benchmark’s total returns in 2025. Even more extreme is the fact that

three of these names (Samsung Electronics, SK Hynix and TSMC) made up over 80% of the Technology sector’s contribution to benchmark returns.

### Sector Contribution to 2025 Benchmark Total Returns in USD



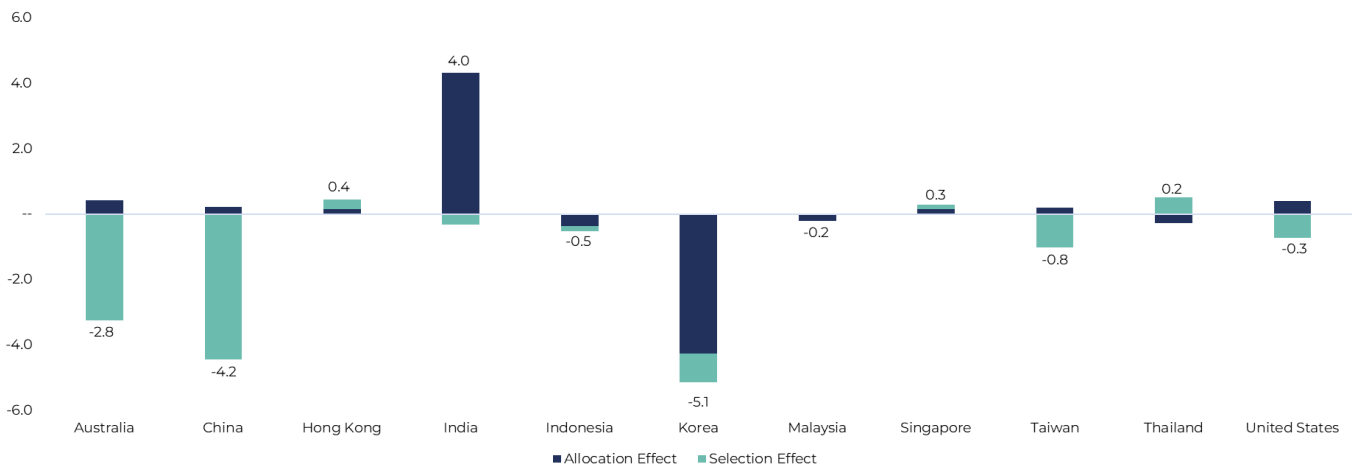
Source: Fact Set, MSCI AC Asia Pacific ex Japan sector indices and in USD terms as of 12/31/25.

## Fund Review

This section discusses the contributors to, and the detractors from, the active return of the Fund. The attribution figures are FactSet and GGI estimates and are not audited performance figures. Estimated returns, contribution and attribution figures are calculated from daily holdings data and do not capture the effects of intraday trading activity, fees and may not fully reflect corporate actions or other factors which impact actual fund performance.

In 2025, both allocation and stock selection were negative from both a country and a sector perspective.

### Country Contributors/Detractors in 2025 (%)



Source: Fact Set. MSCI AC Asia Pacific ex Japan, Guinness Atkinson Funds in USD terms as of 12/31/25.

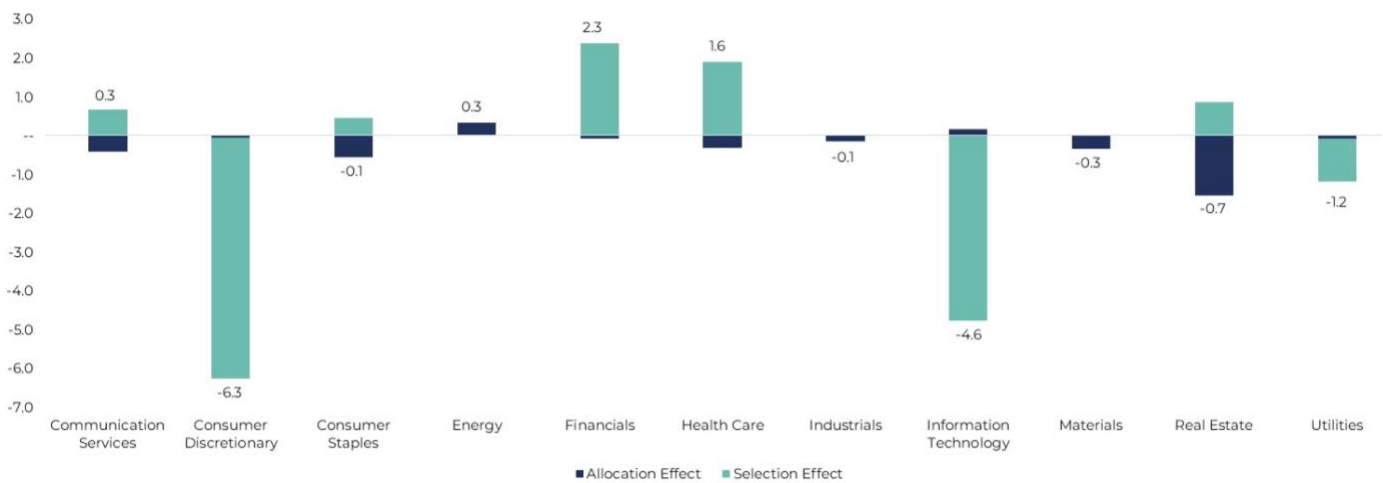
This year, the Fund officially changed its benchmark from the MSCI AC Pacific ex Japan Net Total Return Index to the MSCI AC Asia Pacific ex Japan Net Total Return Index. The main differentiator between the two indices, is that latter includes India. When the Fund was originally launched, we did not have access to the Indian market, and indeed, continued not to have access until 2019. We have since included India into our investment universe, and so we have changed the benchmark. With the change, we are now underweight to India versus the benchmark, leading to positive allocation effect for that market.

The Fund’s underweight to Korea proved to be a detractor to relative returns. The negative selection effect from not holding Samsung Electronics or SK Hynix (neither of which make it into the Fund’s investment universe) more than offset positive effects from owning Korean Reinsurance. The stock selection effects seen in Taiwan, as in Korea, are largely attributable to the AI trend. Our relative underweight to TSMC made up half of the negative selection effect in Taiwan, with Novatek Microelectronics contributing the rest.

In China, negative selection effect was due to a combination of not owning Alibaba or Tencent (both do not make it into the investment universe), as well as negative effects from China Resources Gas, Suofeiya Home Collection and Zhejiang Supor, all of which have been impacted by the slowdown in the real estate sector.

Elsewhere, positive allocation effects in Australia and the US were offset by negative selection effect. In Australia this can be attributed to holding Corporate Travel Management, which has been suspended since August (more on that in the “Stock Performance” section further below). In the US, positive relative contribution from Broadcom was more than offset by negative relative contribution from Aflac and Qualcomm. As a reminder, we allow into our investment universe, companies which are not listed in Asia but which derive at least 50% of revenues from the region.

Sector Contributors/Detractors in 2025 (%)



Source: Fact Set. MSCI AC Asia Pacific ex Japan, Guinness Atkinson Funds in USD terms as of 12/31/25.

By sector, which arguably provides a better indication of how we think about portfolio construction, Consumer Discretionary and Information Technology were held back by strong negative stock selection. In Consumer Discretionary, more than half of this was driven by Corporate Travel Management, with Suofeiya and Zhejiang Supor making up most of the rest of the negative contribution to relative returns from the

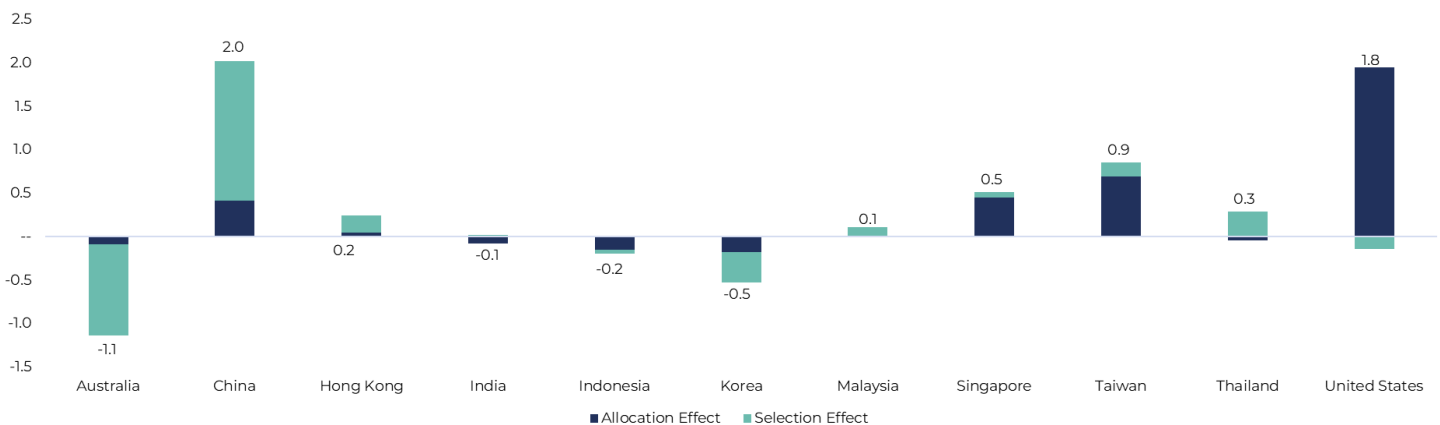
sector. Unsurprisingly, being underweight, or zero weighting key AI names drove most of the negative stock selection in Information Technology, more than offsetting any positive relative contributions from Elite Materials, Broadcom and Hon Hai Precision.

Total negative allocation effect was due to the Fund’s relative overweight to the Real Estate sector. However, this was partially offset by positive stock selection. Elsewhere, there were further positive selection effects seen in Financials and in Health Care. Within Financials, relative detractions from Bank Rakyat and Aflac were more than offset by positive relative contributions from BOC Hong Kong, Korean Reinsurance, and Ping An Insurance.

**5-year View**

While it is useful to analyze performance over the year, it would be pertinent to remember that fluctuations over twelve months can also be heavily influenced by the prior year as under-/out-performances are caught up or given back (as seen in Korea this year). As such, it can also be useful to review a five-year period, where these market movements level out, and the true outcomes of Fund decision making become more obvious.

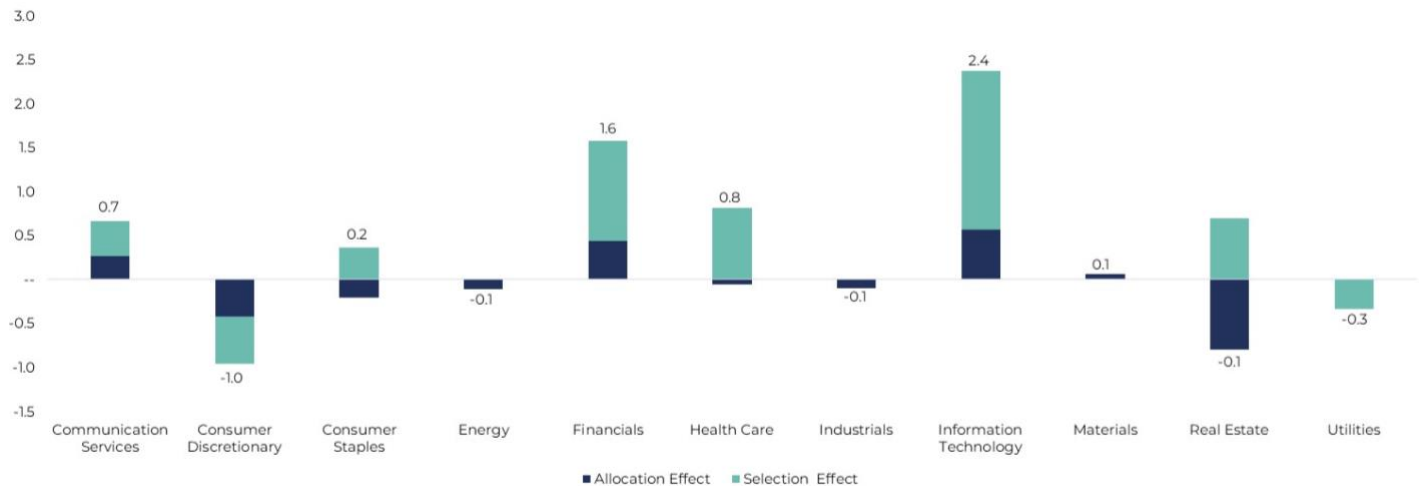
5-Year Country Contributors/Detractors (%)



Source: Fact Set. MSCI AC Asia Pacific ex Japan, Guinness Atkinson Funds in USD terms as of 12/31/25.

On a country basis, performance can be attributed to positive allocation and selection effects. Notably, our allocation to the US was strongly positive, where we hold Aflac, Broadcom and Qualcomm. Positive allocation effects from Taiwan, Singapore and even China are due to relative overweights versus the benchmark. Also notable is that despite the global and domestic troubles seen in China over the last five years, the Fund has been able to find opportunities that have led to positive stock selection, all while being unable to hold the benchmark heavyweight names, Alibaba and Tencent. In Australia, the negative stock selection effect can be attributed almost entirely to the issues seen in Corporate Travel Management this year.

## 5-Year Sector Contributors/Detractors (%)



Source: Fact Set. MSCI AC Asia Pacific ex Japan, Guinness Atkinson Funds in USD terms as of 12/31/25.

From a sector perspective, a small negative allocation effect, driven primarily by a relative overweight to Real Estate and a relative underweight to Consumer Discretionary, was more than offset to positive stock selection. However, unlike Real Estate, where positive stock selection was able to partially offset some of the negative allocation effect, stock selection in the Consumer Discretionary sector was also negative. Once again, this was, in large part, to Corporate Travel Management. However, holding onto Hanon Systems for too long (sold in 2024) also caused a significant detraction to relative performance.

Strong stock selection in Information Technology was driven by names that have been tied to the AI recent trend: Elite Materials, Hon Hai and Broadcom. However, it is worth noting that these names were all purchased before the AI excitement, and have been able to benefit from the trend due to strong management oversight that has led to these businesses dominating in their respective fields. Finally, the strong stock selection from the Financials and the Health Care sectors were helped by our Chinese names (BOC Hong Kong, China Construction Bank, China Merchants Bank, ICBC, and China Medical Systems).

The skew towards stronger selection effect reflects the outcomes of our investment process. By assessing a company's balance sheet health, as well as management's ability to grow dividends while simultaneously investing in the next phase of development via persistent earnings growth, we can find good quality companies at opportunistic valuations and invest in them with high conviction. Importantly, the process also helps to identify companies which are not suitable for the Fund, something which is often under-considered, but plays an equally important part in Fund performance.

### Portfolio Changes

In 2025, we made one change in the portfolio.

#### Sell

**Link REIT** manages a portfolio of shopping centres, retail space and parking space facilities, primarily in Hong Kong, but also in China, Singapore and more recently, Australia. Hong Kong's retail landscape has broadly

seen improvements, but this has not translated into improvements for Link REIT. Recent earnings reported that Hong Kong tenant sales for Link REIT declined over 3% year-on-year. Additionally, rental reversions in Hong Kong were down -6.4% for 1H26 vs 1H25. This led to a decline in distribution per unit, below the already negative expectations from the market. While we remained satisfied with the financial health of the company, it has become increasingly clear that the macro environment for Link REIT is becoming more difficult. Increased competition from online sales coming in from China, as well as competition from new retail spaces being built in China itself have led to management tempering market expectations, noting further challenges in 2026 before a potential troughing and recovery in 2027.

## Buy

**Haier Smart Home** is a Chinese manufacturer of a range of domestic appliances, including fridges, freezers, washing machines and air conditioners. The company services both domestic and international markets, with a roughly equal split between the two. Management has a good record of adjusting product positioning and branding over time to maintain pricing power, leading to reasonably stable generation of returns on capital given the sector it operates within, while also paying a growing dividend. Haier trades on valuation multiples that are undemanding on an absolute basis, and below the company's long run average.

## Annual buys and sells

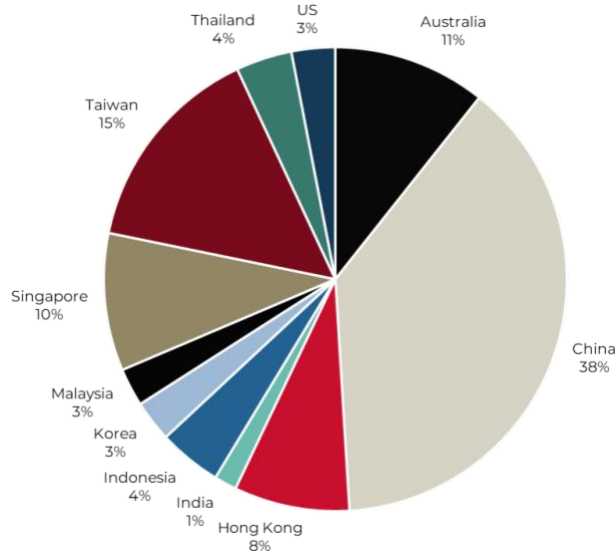
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Buys</b>	2	3	3	1	2	6	8	1	2	0	1	<b>1</b>
<b>Sells</b>	2	4	3	1	2	6	8*	1	2	0	1	<b>1</b>
<b>Total Holdings</b>	36	36	36	36	36	36	37	36	36	36	36	<b>36</b>

\*Sale of one position not fully completed by year end.

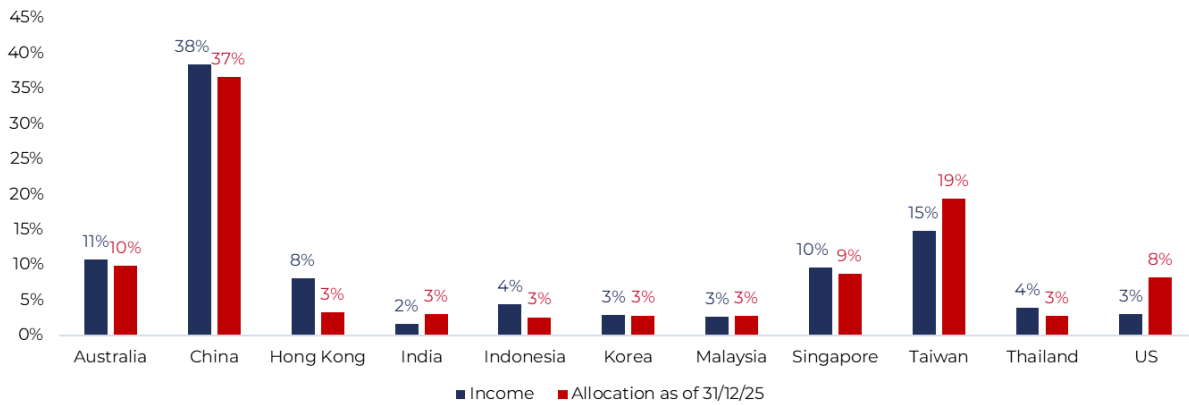
## Dividend Sources

The charts below show the geographic sources of dividend income received by the Fund in 2025, and how they broadly correspond to the regional weightings of the portfolio.

## 2025 Dividend Income by Country



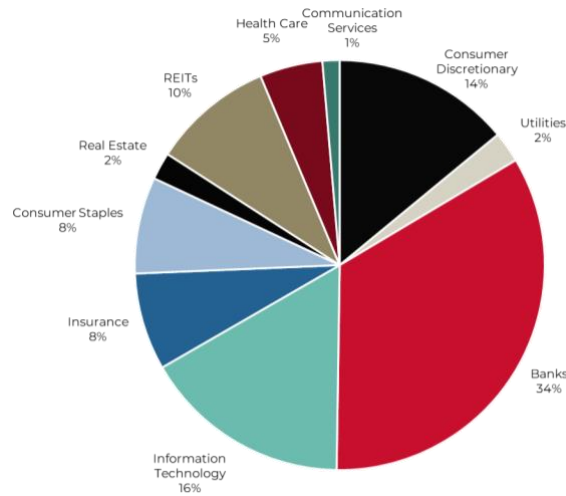
## Share of Income vs Country Allocation



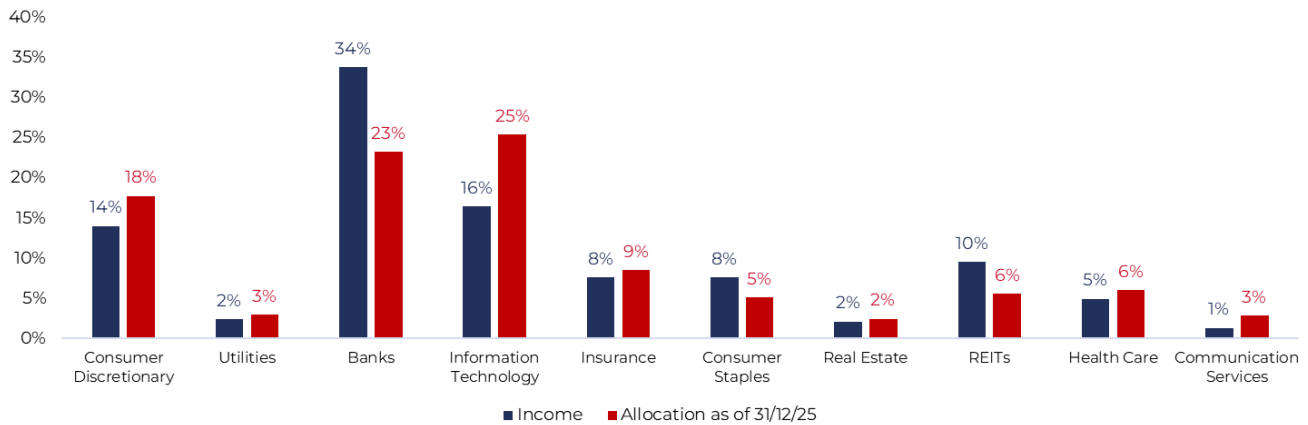
Source: Guinness Atkinson Funds. Based on dividend income received and due to the Fund included in 2025 Fund distribution, converted into the Fund's base currency, USD. Data as of 12/31/25.

By sector, the sources of income in 2025 were as follows:

2025 Dividend Income by Sector



Share of Income vs Sector Allocation



Source: Guinness Atkinson Funds. Based on dividend income received and due to the Fund included in 2025 Fund distribution, converted into the Fund's base currency, USD. Data as of 12/31/25.

As with the country alignment, the share of income coming from each sector is quite similar to our sector allocation. The standouts here are banks, which had a notably higher income weighting, and Information Technology, which had a lower income weighting.

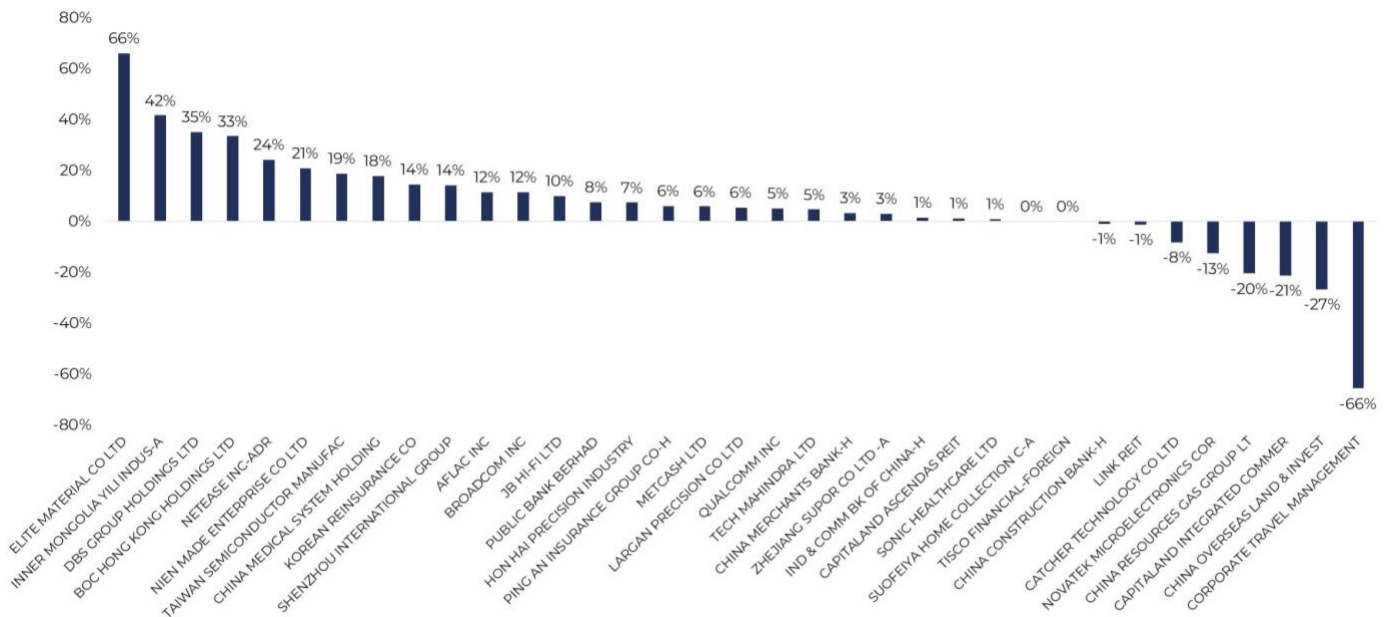
## Dividend Actions

In 2025, out of our 36 holdings:

- 26 companies **grew** their dividends.
- 2 companies kept dividends **flat**.
- 8 companies reported **lower** dividends.

The chart below shows the year-on-year percentage change in dividend per share for each of our portfolio companies.

Dividends Declared 2025 - % Change Year over Year in Local Currency Terms



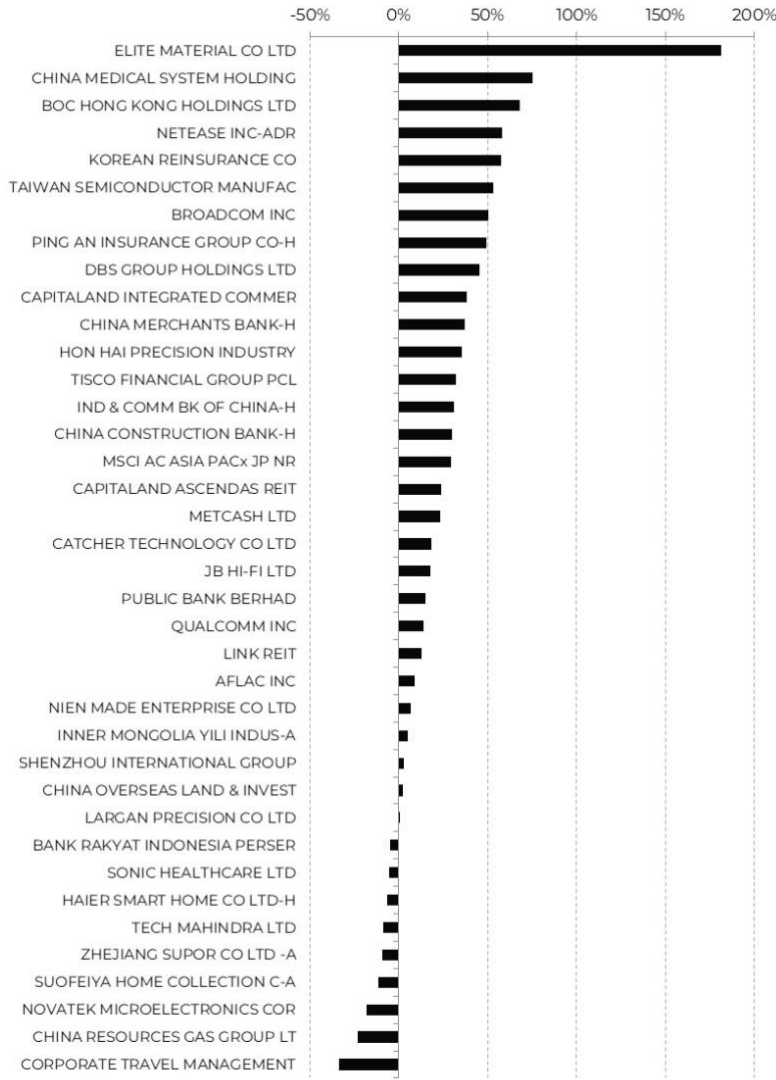
Source: Company reports. Dividends declared and the shares gone ex-dividend in 2025, in local currency terms.

Note that Haier Smart Home is not shown in the chart as it was added to the portfolio in December, past the company's dividend declaration date.

## Stock Performance

The chart below shows the total return for each position in the portfolio. Of the 36 names in that were in the portfolio in 2025, 21 underperformed the benchmark and 15 outperformed. The chart below shows individual stock performance for 37 names as it includes both Link REIT, which we sold in December, as well as Haier Smart Home, which we added as a replacement, as well as the benchmark performance. Haier, has underperformed the benchmark since it was added to the portfolio, down 8% to 31<sup>st</sup> December 2025 versus a benchmark gain of 1% in the same time period.

Individual Stock Performance in YTD (total return in USD)



Source: Bloomberg. Data as of 12/31/25

**Leaders**

Of our top five performing stocks, two were in the Financials sector, and one each in Information Technology, Health Care and Communication Services.

**Elite Material** is a manufacturer of copper clad laminates (CCL), a material used in printed circuit boards. The company saw total returns rise 181.5% in 2025, due to strong end demand, particularly in the AI space, where projects require more advanced chips which, in turn, require more CCL content. The company is expected to benefit as it holds dominant market share (over 70%) in the highest grade (M8) materials in the CCL space and is predicted to be the first to market for the next iteration of highest-grade materials (M9). On another note, Elite Materials is a particularly good example of strong management leading to a business that is able

to navigate shifts in product cycles. We bought the company back in 2017, when our investment thesis revolved around the company's strong market share in printed circuit boards used in smartphones, servers and the automotive industry. However, management has been able to grow the bottom line, and in turn, reinvest some of the profits into R&D, driving a virtuous cycle of growth. At the same time, they have also been able to consistently grow dividends, adding to the total shareholder return.

**China Medical Systems**, a leading pharmaceutical licensor in China, with growing in-house R&D and strong sales network, and a decent product pipeline with launch dates spanning the next three years. The company saw total returns grow 75.4% in 2025, primarily during the second and third quarters, driven by news that the company is planning to spin-off its Dermavon subsidiary as a separate Hong Kong Stock Exchange listing, as well as improving sentiment of the Chinese Health Care space. The spin-off is expected to be executed in-specie, which would avoid shareholder dilution. Dermavon itself specialises in dermatology and has a diverse product and pipeline portfolio.

**BOC Hong Kong (BOCHK)** had a strong first half where the company reported earnings durability and attractive dividends, with yields above 5%, leading to total returns rising 68.2%. In particular, pre-provision operating profit grew 17% year-on-year, and ROE improved to 12.92%. Additionally, the sentiment around the market environment has improved, part driven by an IPO boom and early signs of recovery in the residential property market, creating a more supportive setting for BOCHK's lending and wealth management businesses.

**NetEase**, which saw total returns rise 58.3%, is one of China's largest video game developers. Strong share price moves were related to the return of the Blizzard partnership (which brought World of Warcraft back to mainland China), revenue stabilisation from older games such as Eggy Party, as well as evidence of the company's ability to successfully grow its overseas business. Marvel Rivals and Destiny: Rising, contributed to 12% year-on-year Gaming and Value-Added Services revenues growth in the latest reported quarter. Additionally, the domestic success of Where Winds Meets was followed by a positive global launch in November, with more than 2 million players on launch day, as well as reaching Steam's top 4 list. Looking forward, the company has 2 games launching in 2026, and while valuation has risen through the year, it remains below its 5-year historical average of 17x.

**Korean Reinsurance** up 57.7%, benefitted from a supportive reinsurance cycle as pricing and underwriting conditions improved, resulting in stronger profitability. In particular, second quarter net profits rose 14% year-on-year, beating sell-side consensus expectations by c21%. Additionally, overseas underwriting (which has higher profitability than domestic operations) contributed a higher percentage of product mix, leading to an improved combined ratio of 81.5%, 660 basis points lower than a year prior.

### **Laggards**

The Fund's five worst performing stocks fell into three sectors; three were in the Consumer Discretionary sector, and one each in Utilities and Information Technology.

We wrote about **Corporate Travel Management** last month but document it again given that it is the Fund's worst performing stock in 2025. The company is an Australian travel services provider for business and government clients that span the globe. Trading of shares in the company was suspended in August, when, following a change of Auditor, management first reported that some statements from the European side of

the business that needed to be restated. At the time, we took the decision to make a downward fair value adjustment of -15% from the last traded price to AUD13.66. Expectations given by management were that there would be an update and stock trading resumption in late November. Instead, what investors received was news that the accounting irregularities were less to do with timing of revenue recognition, and more to do with overcharging and aggressive accounting methodology. Trading on the company remains suspended and given the lack of further details around these issues, we have decided to mark the carrying price down by 50% from the last traded price, meaning that the company's total returns fell -33.9% in 2025.

**China Resources Gas** saw a sharp sell-off in March as reported results came in sharply below sell-side expectations. Gas distribution was weaker than expected on the back of a milder winter, as well as a marked slowdown in industrial demand. In addition, new residential connections outlook remains weak due to the muted real estate market in China. However, the biggest market concern was management's decision to change their dividend policy. Previously, dividends were calculated as a percentage of total profits, which has, in recent years, included infrequent bumps from disposals as well as profits made from joint ventures. Management has decided to calculate future dividends on "core profits" instead, which to our mind means we should see a steadier dividend growth profile. However, this means that's the company reported an 18% cut in dividends, which has masked the fact that the underlying core dividends actually grew 3%. Since the lows in March, the share price has recovered 17%, but total returns remain one of the lowest in the Fund, down -23.0%.

**Novatek Microelectronics**, a Taiwanese designer and manufacturer of integrated circuits (ICs), fell -18.0% in 2025, largely driven by weaker earnings reports, as competitive pressures and macro challenges started to affect the company's bottom line. Despite revenues remaining largely flat in the first 3 quarters of 2025, rising costs led to gross profits falling 7% and gross margins falling 312 basis points to 37.5%. Seemingly persistent dollar depreciation, along with the fading out of Chinese subsidy policies, and tariff woes caused additional FX pressure resulting in net profits dropping 15% year-on-year. While the company remains in the Fund for now, we are closely monitoring the rising competitive pressures from Chinese companies and continue to assess Novatek's ability to navigate this trickier period.

**Suofeiya Home Collection** is a Chinese manufacturer of kitchen cabinets and other homeware. The company, therefore, has exposure to the real estate market, and saw total returns fall -11.5% in 2025. While home renovations were eligible for the trade-in program, this was not enough to offset ongoing declines in new home sales. This led management to guide for sales to decline in 2025, despite the growing contribution from renovation demand. Management aim for sales to stabilize in 2026 and believe there is further room to improve gross margins through further cost reductions and efficiency gains. Despite the challenges facing the sector, returns on capital have remained resilient. We believe the current share price assigns minimal value to cashflows derived from future capex, representing an attractive valuation for a business that remains high quality. Though we do not hold the stock for this reason, any additional policy support for the real estate sector could provide upside for the stock through a valuation re-rating.

**Zhejiang Supor Co**, which saw total returns decline -9.0% in 2025, is a manufacturer of kitchenware, cookware and small home appliances. China's consumer environment weakened in the second half of the year, partly driven by the government phasing out consumption subsidies. Supor, like its peers, have opted to provide its own subsidies to consumers at the expense of operating margins. The government's recent decision to exclude kitchen appliances from 2026's subsidy program may mean Supor's operating margins remain under

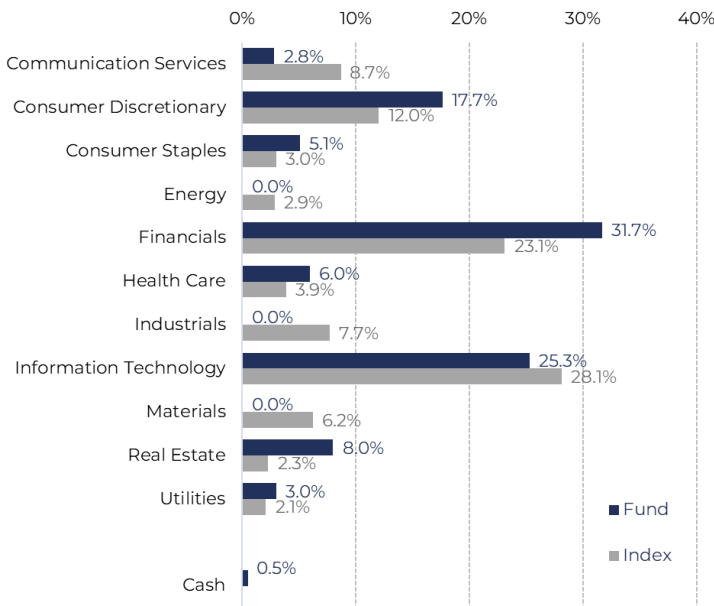
pressure. Overseas sales were strong in the first quarter as Supor’s French parent company accelerated shipments before US tariffs were implemented. Management revised guidance to flat-to-slightly-positive overseas growth in 2025. The shift of export orders away from China towards the company’s growing Vietnamese factories has also weighed on margins, though we expect the impact to ease as utilization rates in Vietnam increase. In our view, governance and the cash return profile at Supor remain excellent. The stock provides a trailing dividend yield of 6% and is trading at close to the lowest valuations seen over the past decade. The current share price requires only modest earnings growth to deliver an attractive annualized return.

**Portfolio Positioning**

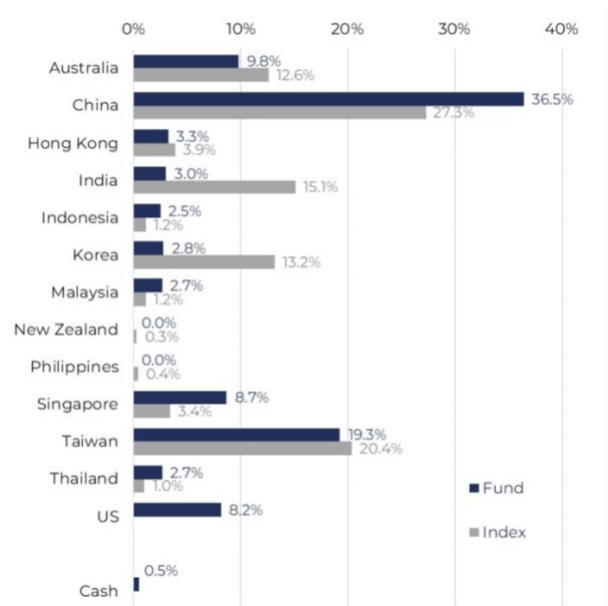
The charts below show the differences in sector allocation between the Fund and our new benchmark.

The Fund has historically been overweight to Financials and to Real Estate, something that has continued this year. Additionally, we have continued our zero-weighting to the Energy and Materials sectors. Companies within these sectors tend to have a more cyclical nature, rendering many of them incompatible with our investment process.

Fund Allocation vs MSCI AC Asia Pacific ex Japan Index



Fund Allocation vs MSCI AC Asia Pacific ex Japan Index

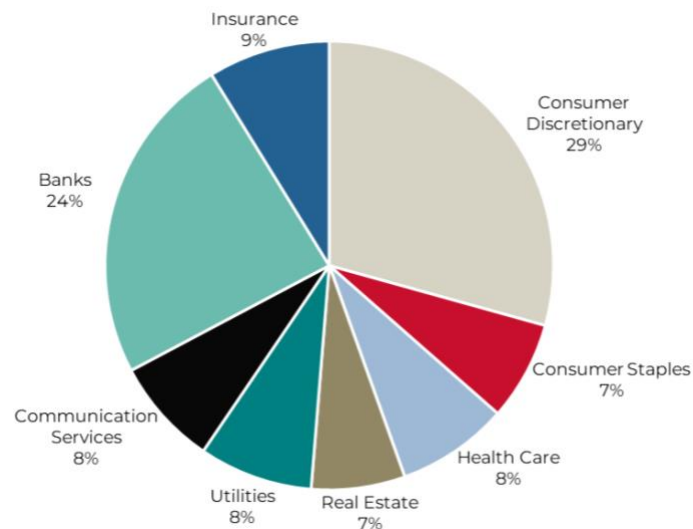


Source: Guinness Atkinson Funds, Bloomberg. Data as of 12/31/25

As mentioned earlier in the note, our new benchmark includes the Indian market. As a result, we are now underweight the benchmark in India, and have a greater overweight to China. Additionally, we continue to hold three US-listed positions in the Fund: Aflac, Qualcomm and Broadcom. As a reminder, the Fund’s requirement is that businesses must be listed and traded in the Asia Pacific region or must have at least 50% of their assets or derive at least 50% of their revenues from within the region.

The allocation to China at 37% continues to be the Fund's largest single country exposure and the chart below shows the underlying exposures with the actual portfolio weights.

2025 Portfolio Allocation to China



Source: Guinness Atkinson Funds as of 12/31/25

## Outlook

For long-term investors, we believe the opportunity in 2026 remains the same as in 2025: identifying those businesses that can convert structural advantages into sustained economic returns, while maintaining the discipline to avoid areas where optimism is already seemingly priced in. Throughout 2025, Asia's evolving trade architecture has proven increasingly important and showcased the region to be one where these prospects exist. Decades of diversification and deepening intra-regional trade links provided a degree of insulation from external shocks. China's exports to the US continued to decline as a share of total trade, but shipments to ASEAN expanded (as did shipments to Latin America and Africa). For much of the region, domestic demand and regional supply chains are playing an increasingly greater role in sustaining growth than direct exposure to the US consumer, and while this does not give immunity from global volatility, it does suggest a more balanced and resilient growth model than previous cycles.

Within Asia, China will remain pivotal, both as a market in its own right, and as a driver of regional trade. The past year has highlighted China's capacity to counter US efforts to restrict market access for Chinese-made products. The trade embargo between the two countries eventually gave way to a one-year trade truce as the US agreed to suspend punitive tariffs in return for China easing export restrictions on rare earth metals and soybeans. The relative success here will likely encourage China to continue expanding its export-driven growth model into next generation technologies. However, China must still contend with an unstable domestic economy and the slow effects of its anti-involution policy. We continue to watch for developments related to policy direction and the broader evolution of China's export-led model, both of which we believe will be touched upon in March, when Beijing releases its 15<sup>th</sup> five-year plan for 2026-2030. The one-year trade

truce is also due to end in November 2026, so we expect more turbulence, similar to this year, as the deadline approaches.

We also expect AI to also continue being a key investment theme in 2026. However, we remain wary of concentration risk from AI beneficiaries, particularly as valuations continue to creep up. Additionally, we note that while the recent US decision to delay certain semiconductor tariffs until later in the decade offers temporary relief, it does not change the underlying trajectory of increasing strategic competition, one that current Asian AI beneficiaries (TSMC, Samsung and SK Hynix) will have to navigate delicately.

Our focus in 2026 will continue to be on the four founding pillars of the Fund.

		Fund	MSCI AC Asia Pacific ex Japan Index
Quality	ROE	17%	12%
	Weighted average net debt/equity	9%	50%
Value	PE (2026e)	12.5x	17.4x
	FCF Yield (LTM)	10.0%	4.0%
Dividend	Dividend Yield (LTM)	3.8% (net)	2.2% (gross)
	Weighted average pay-out ratio	62%	43%
Conviction	Number of stocks	36	1,060
	Active share	91%	-

Source: Guinness Atkinson Funds, Bloomberg. Portfolio metrics versus index. As of 12/31/25.

## Important Information

**MSCI AC Pacific ex Japan Index** captures large and mid cap representation across 4 Developed Markets countries and 7 Emerging Markets countries in the Pacific region. With 1,176 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in each country.

**NAV** is the dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

**Market Price** is the current price at which an asset or service can be bought or sold. The market price of an asset or service is determined by the forces of supply and demand. The price at which quantity supplied equals quantity demanded is the market price.

**Dividends per Share (DPS)** is the sum of declared dividends issued by a company for every ordinary share outstanding.

**Basis Point** is a common unit of measurement for interest rates and other percentages in finance. One basis point is equal to 1/100<sup>th</sup> of 1%, or 0.01%.

**Return on Equity (ROE)** is a measure of financial performance calculated by dividing net income by shareholders' equity.

**Price to Earnings (PE) Ratio** is a stock valuation metric that compares a company's share price to its earnings per share.

**Free Cash Flow (FCF) Yield** is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share.

**Dividend Yield** is a financial ratio showing the return an investor would earn from an investment based solely on its dividend payments.

**Weighted Average Payout Ratio** is a measure of financial performance calculated by dividing total dividend payments by total earnings, with each company's contribution weighted by its size (such as market value) so larger companies have a greater impact on the result.

**Risks:**

Investing involves risk, including possible loss of principal. Diversification does not guarantee a profit or protect against a loss.

The Fund invests in securities that pay dividends, and there is no guarantee that the securities held by the Fund will declare or pay dividends in the future, or that dividends will remain at current levels or increase.

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.

**Consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. For a prospectus or summary prospectus with this and other information, please call (866) 307-5990 or visit our website at [www.gafunds.com](http://www.gafunds.com). Read the prospectus or summary prospectus carefully before investing.**

Shares of the Fund are distributed by Foreside Fund Services, LLC.