# IWIRX/GINNX

Guinness Atkinson Global Innovators Fund
January 2026 Update

GUINNESS ATKINSON FUNDS

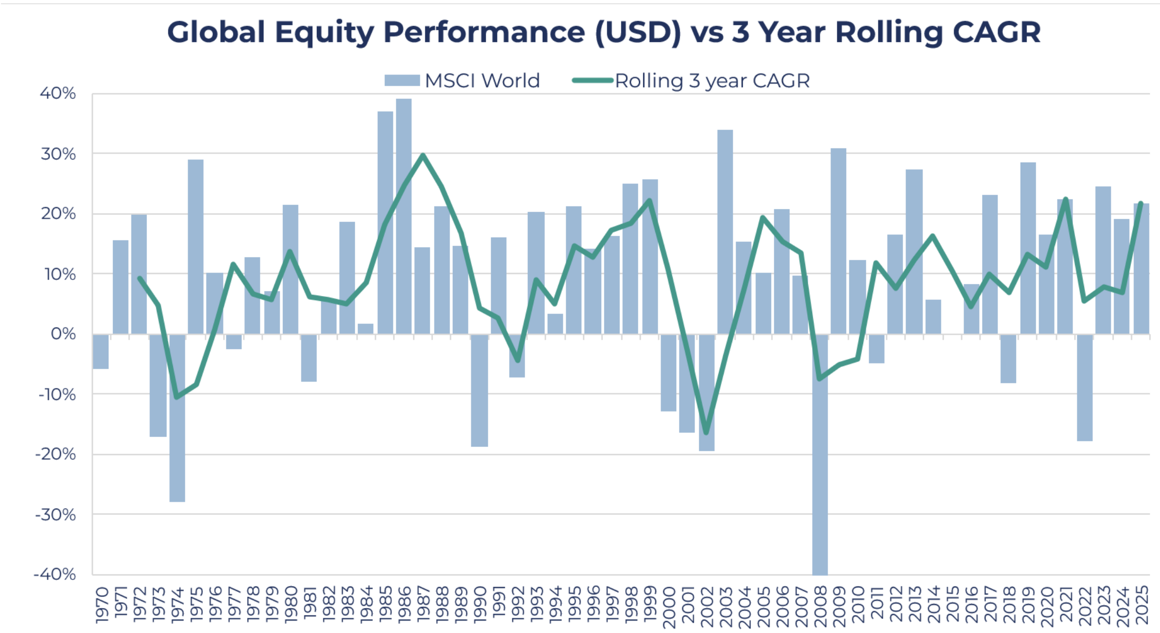
**Market Commentary**

## 2025 – The Year in Themes

### 1. Equities strong but US underperformance was clear

With all the uncertainty, volatility, and disruption that 2025 brought, it was nonetheless a very strong year for global equity markets. After a -16.6% (USD) peak-to-trough drop in the MSCI World ending early April, the index then rallied an impressive +39.3% (USD) over the following ~8 months, with risk-on sentiment driving an 'everything rally'.

Equities were not only the best performing asset class in 2025, but they have now had a remarkably strong 3-year run. Their 3-year rolling compound annual growth rate (CAGR) was north of 20%, joining 2021, 1999, and the 1986-1988 period as the only other times in the last 50 years this has been achieved.



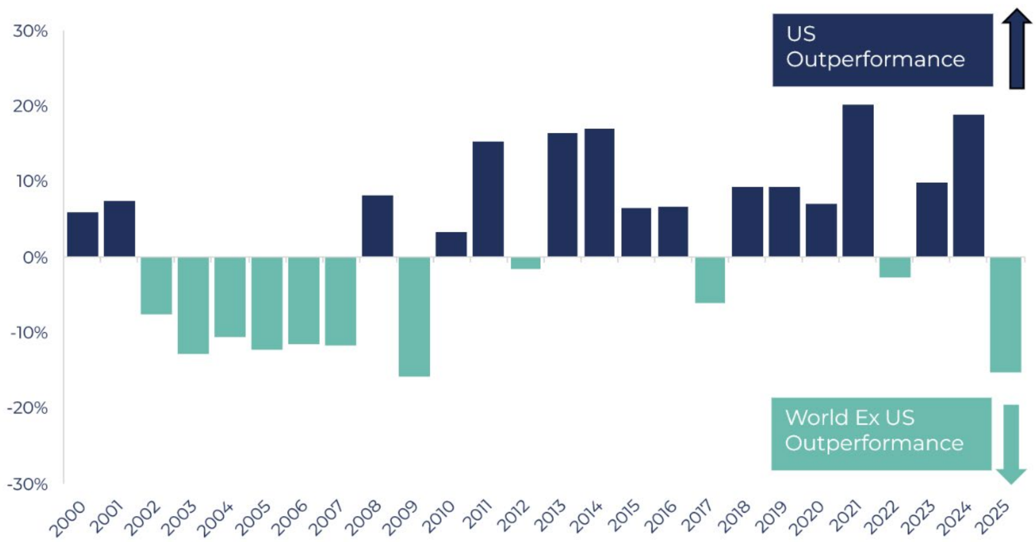

*Source: Bloomberg, Guinness Atkinson as of December 31st 2025*

It is also worth noting that a broad range of asset classes saw strong performance, with Global Investment Grade Credit gaining +10.3% (USD), and the Bloomberg Commodity Index rising +15.8% (USD). Precious metals had an even better year, with Gold gaining ~64% thanks to strong central bank and consumer demand, while a stellar year for silver saw gains of over 147% (USD).

The US underperformed almost all other major market indices in 2025, something of a rarity in recent times. For all the talk of US exceptionalism, this was the worst year of relative performance for US equities compared to the rest of the world (MSCI ACWI ex US) since 2009. The reasons for underperformance can be debated: narrow US market breadth, domestic policy chaos, fiscal stimulus across the EU & Japan, improving governance in some parts of emerging markets (EM), or just simple mean reversion in valuations. In any case, whichever way you look at it, the shift towards equities beyond the US was clear.

**Relative Difference in Stock Market Returns**

*S&P vs MSCI ACWI Ex-US Performance in USD*

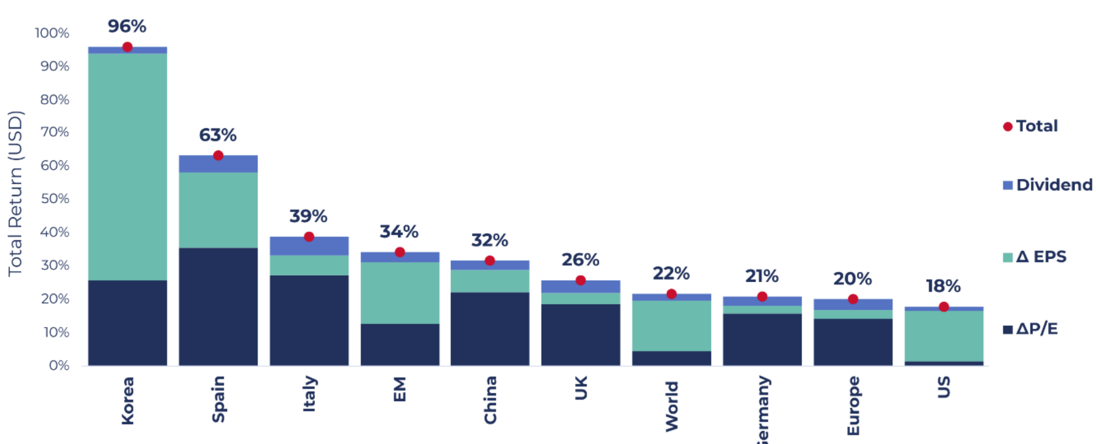



*Source: Bloomberg, Guinness Atkinson as of December 31st 2025*

Conversely, Europe had a standout year, ending 2025 +36.3% in USD, 14.7% ahead of the MSCI World. Even if political and fiscal uncertainties still weigh heavy on the continent a combination of low valuations (~40% PE discount to US), fiscal stimulus announcements (Germany, Italy), monetary easing (4x European Central Bank cuts in 2025), and resilient GDP growth all contributed to a very strong year for European equities. This was of course aided by the dollar's weakest year since 2017, falling ~9% against a basket of global currencies, as concerns rise about the strength of the dollar's role in the global financial system. Even when normalizing for USD weakness, there were still some stand out performances in local currencies; Italy gained +39%, Spain rallied +63%, only surpassed by Korea which gained +96%.

**MSCI Index Total Return Breakdown 2025**

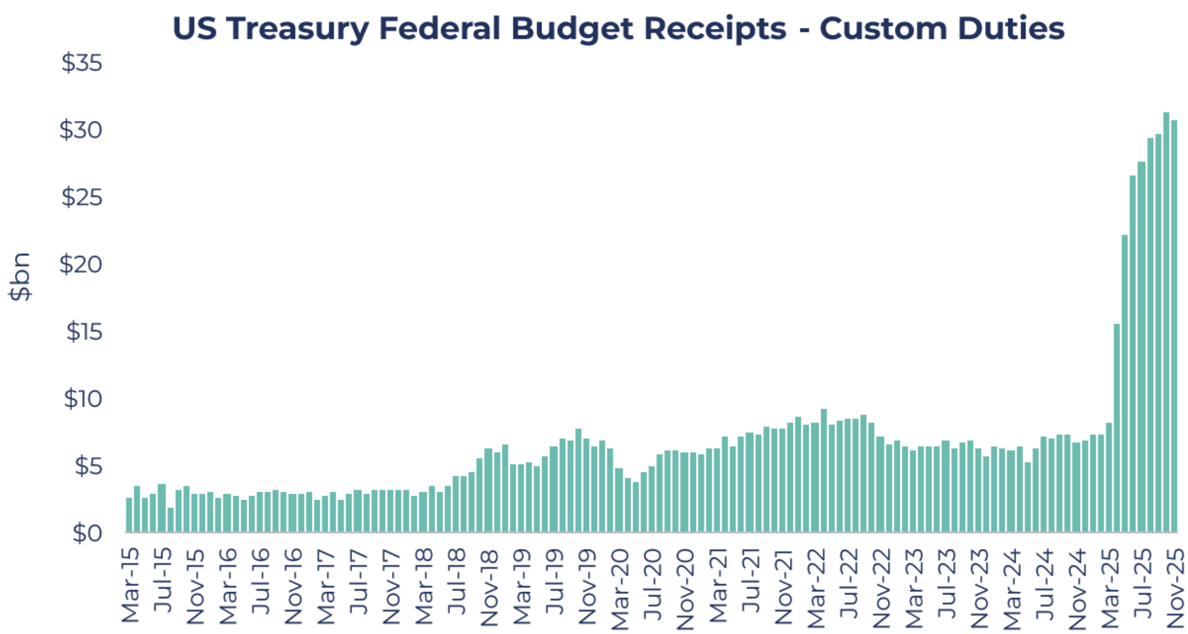
*(in local currency)*




*Source: Bloomberg, Guinness Atkinson as of December 31st 2025*

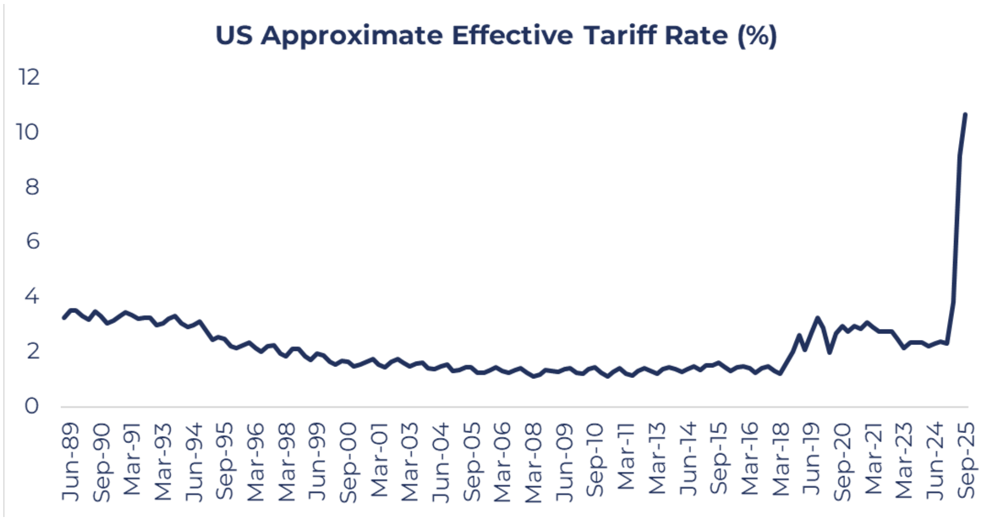
**2. The Year of Tariffs**

Investors, CEOs, and policy makers are likely growing weary of tariffs news, as few things dominated headlines more over 2025. There is no doubt that the substantial increase in US tariffs placed on global trading partners has widespread impacts from trade relations, to company earnings, and GDP prints, causing pronounced market volatility in the process. However, a case can be made that, so far, tariffs have had far less of an impact than many economists predicted. Yes, trade, earnings, and inflation have all been impacted but only moderately, perhaps best shown by the markets' ability to look past these levies and push new all-time highs. Tariffs turned out to be a tax, paid mostly by US importers and wholesalers, that the global system seems able to bear, at least for the time being. And don't forget, they have raised immense revenues for the US, with the current data showing tariff takings will surpass a cumulative $250bn in 2025 (see chart below).




*Source: Bloomberg, US Treasury as of December 31st 2025*

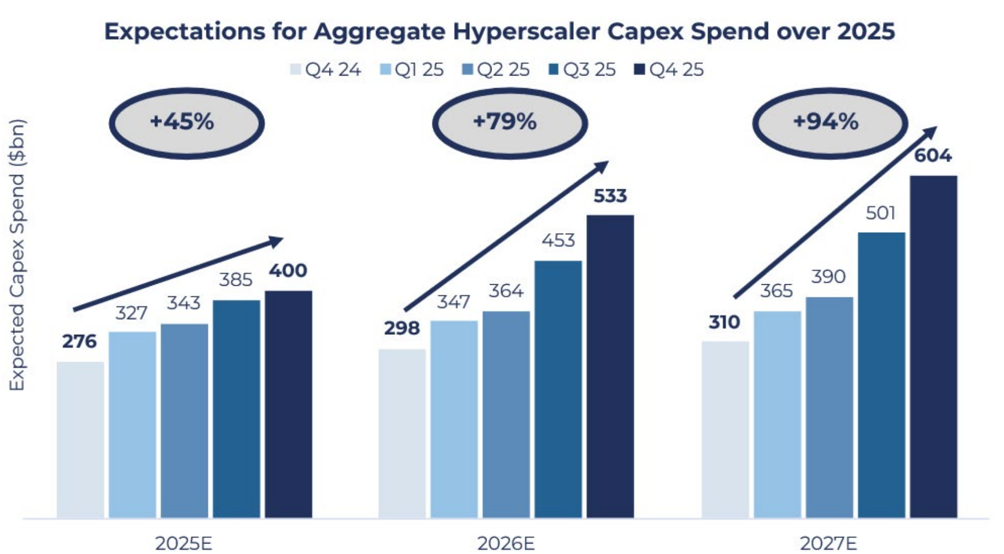
Tariffs have proven less damaging than feared in the short-term, likely because any time they have had a material negative impact on one part of the economy, the US administration has been quick to walk them back to something more reasonable, hence the coining of the 'TACO trade' ("Trump Always Chickens Out"). Nonetheless, the chart below shows the US International Trade Commission average tariff rate for 2025. While the official data has only been released up to September 2025, unofficial estimates put the year end figure closer to 14%, a substantial increase from the 2.4% recorded just one year prior, and returning to levels not seen since 1939.




*Source: Bloomberg, United States International Trade Commission as of December 31st 2025*

**3. The year of AI**

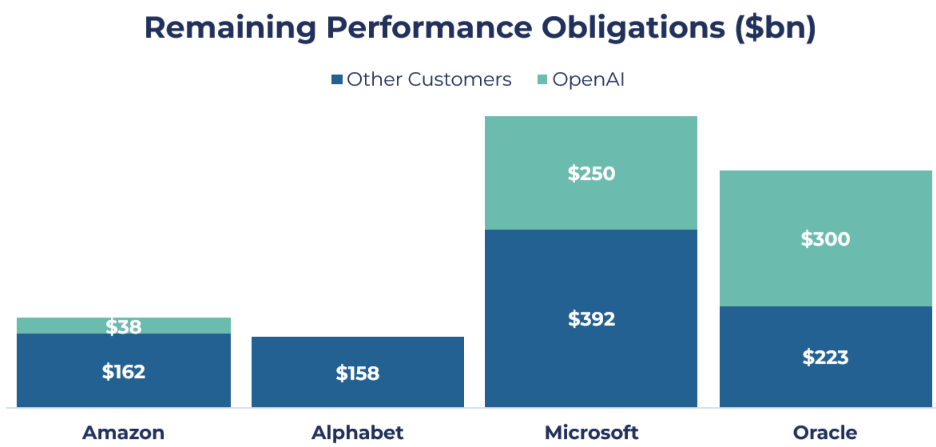
2025 was marked by what can only be described as an all-out AI Arms race. Big tech firms continue to spend hundreds of $bn on AI chips, infrastructure, and talent, vying to get ahead in the race for what may well be this decade's most influential technology. We can debate timelines, AGI (artificial general intelligence) feasibility, investment implications, and return on investment (ROI) dynamics, but whatever your stance on these fundamental questions, it is clear that the AI arms race shows no signs of slowing down for now, as shown by the continual upgrade in capital expenditures (CAPEX) expectations, demonstrated by the chart below.




*Source: Bloomberg, Guinness Atkinson as of December 31st 2025*

We have written about this extensively in other commentaries – but it would be remiss not to mention the overwhelming impact the AI race has had on equities over 2025. Some areas of the market have flourished (semiconductors, energy infrastructure, industrials) while others have been deemed structural losers at risk of fundamental disruption (software, legacy media, professional services). And heading into 2026, a range of new technological developments continue to surge forward including memory chips advances, optical interconnects, architecture changes at both the chip and at the data center level as well as the surge in alternative energy sources as data centers start moving off grid. Progress is marching forward at a rapid pace and tech CEOs remain completely committed to the investment cycle.

The flipside is that investors are heading into 2026 increasingly concerned about what this means for the stock market and broader economy. Deutsche Bank estimate that the US would be 'close to recession this year if it weren't for tech-related spending' with AI spending estimated to have driven the majority of US GDP growth of H1 2025. And while OpenAI are but one of a handful of leading AI Labs, they have made an unparalleled $1.4tn in spending commitments across the AI infrastructure stack (chips, servers, networking, power) which has found its way into the backlog of many AI bellwethers. As a result, the fate of OpenAI increasingly means the fate of the US AI technology ecosystem. More concentration risk ahead?

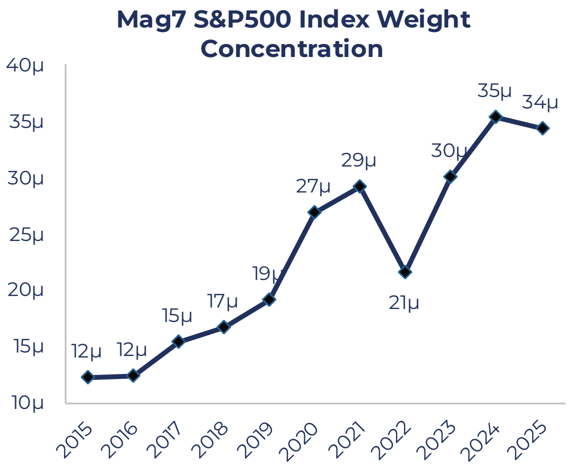


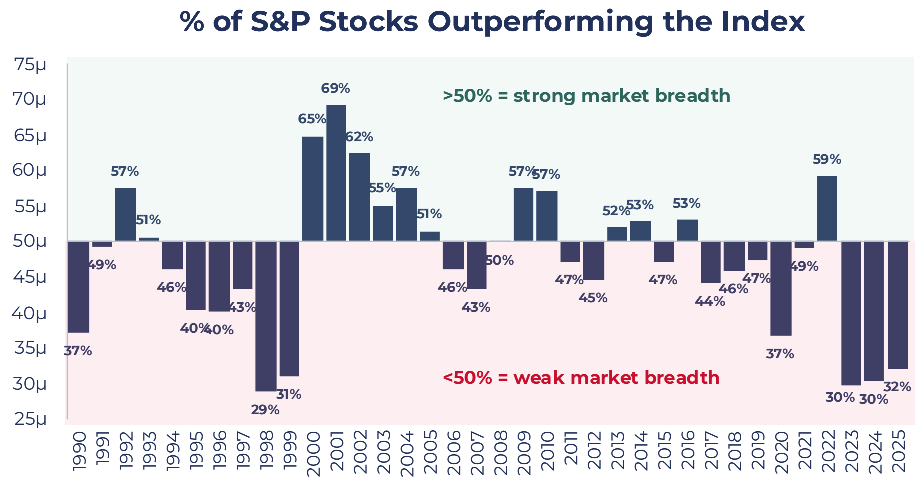

*Source: Company Data, Guinness Atkinson as of September 30th 2025*
**Note: Although not included in Microsoft's RPO as of September 30th 2025, we have included the recently announced $250bn Azure services commitment from OpenAI in October.*

## 4. Market concentration & bubble fears

Market breadth is still a concern for major world indices, not least in the US. While the market cap share of the 7 largest stocks is down a touch from its all-time highs, these names still account for one third of the index compared to just 14% ten years ago (see chart below left). Some may point to signs of a broadening out with the Russell 2000 hitting record highs, showing a rise in smaller cap names, but 2025 still showed very weak breadth amongst the index. In the S&P500

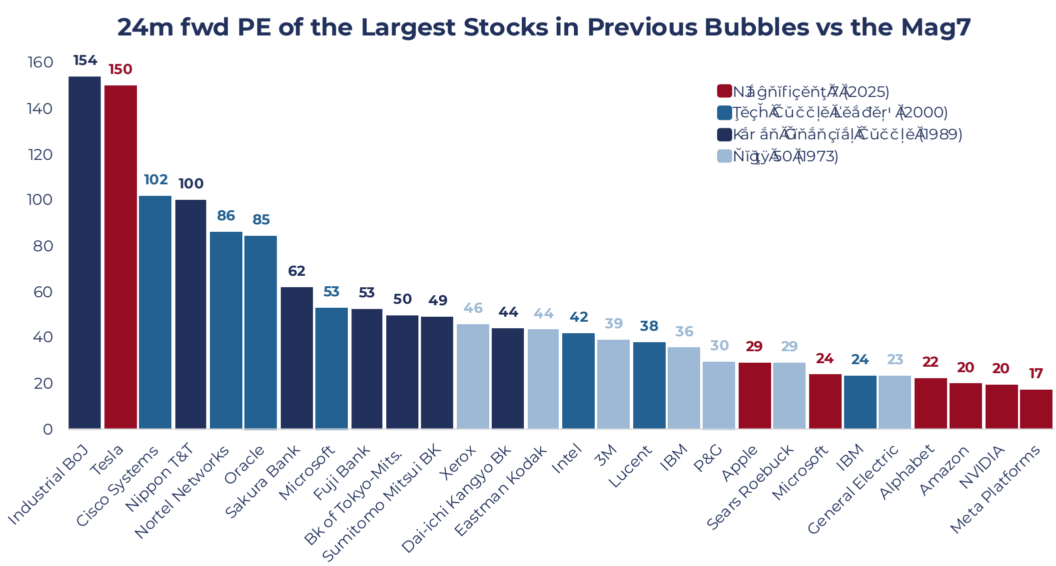
only 32% of stocks outperformed, following figures of 30% in both 2023 & 2024. You would go back to 1999 to find a market as comparably narrow as this one, as shown by the chart below right.




*Source: Ritholtz & Bloomberg (above left), The Motley Fool & Guinness Atkinson (above right) as of December 31st 2025*

So, are we in a bubble? This was one of the most asked questions over 2025, and one which we have also tried to address in previous commentaries. If we had to summarize, equity multiples are certainly elevated and optimism is running high but we are still at far lower absolute valuation levels compared to previous bubble environments, as shown by the chart below.




*Source: Goldman Sachs, Bloomberg, Guinness Atkinson as of December 31st 2025*

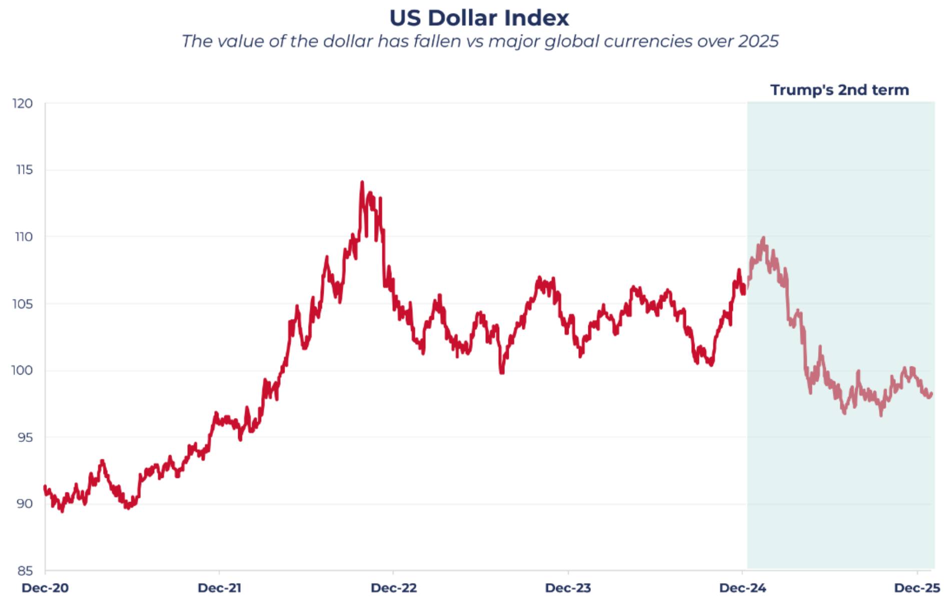
### 5. Resilient corporate earnings at record highs

Yet, on a positive note, corporates earnings remain strong. Clearly markets and multiples have rallied sharply over this extended bull market but it is encouraging to see earnings growth alongside. While the MSCI ACWI's PE has gone from 18.1x at the start of the year to 19.0x at the end of 2025 (a multiple in the 90th percentile of the 10Y range), corporate earnings are also at all-time highs. Even as the big tech names have continued to dominate and contribute a larger % to overall index earnings, it is nonetheless encouraging to see the aggregate index earnings per share (EPS) continuing to compound, meaning that 'Corporate World' remains in good health (as shown by the chart below).


*Source: Morgan Stanley as of December 31st 2025*

### 6. USD Weakness

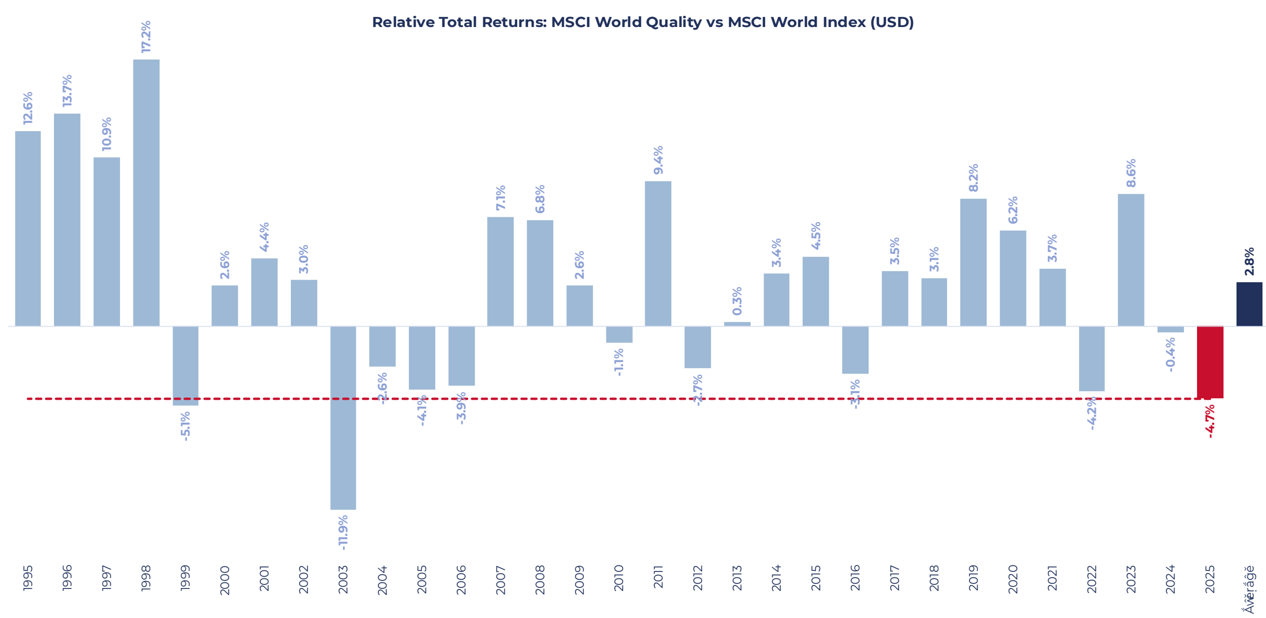
The return of Donald Trump to the White House triggered a sharp decline in the dollar. In the first half of 2025, the dollar fell 10.7% against a basket of currencies from major U.S. trading partners. Although it regained some ground in the final quarter, the dollar remained well below its pre-election level, closing the year down ~9%, as shown by the chart below. While some depreciation was anticipated, particularly as the Federal Reserve cut interest rates three times in the second half of the year, the president's foreign and trade policies also weighed heavily. His aggressive tariff stance has eroded confidence in the dollar's role in the global financial system. In response, central banks around the world reduced their U.S. Treasury holdings and increased gold reserves, moving to diversify away from the dollar amid rising geopolitical risks and concerns over potential sanctions.




*Source: Bloomberg, Guinness Atkinson as of December 31st 2025*

**7. Quality Underperformed**

Another pocket of weakness in 2025 was Quality, which materially underperformed the broader benchmark. The MSCI World Quality Index suffered its worst year since 2003, posting a relative return -4.7% lower than the MSCI World. This is a marked divergence from historical trend since 1995; in the average year, 'quality' stocks have outperformed the wider index by 2.8%.

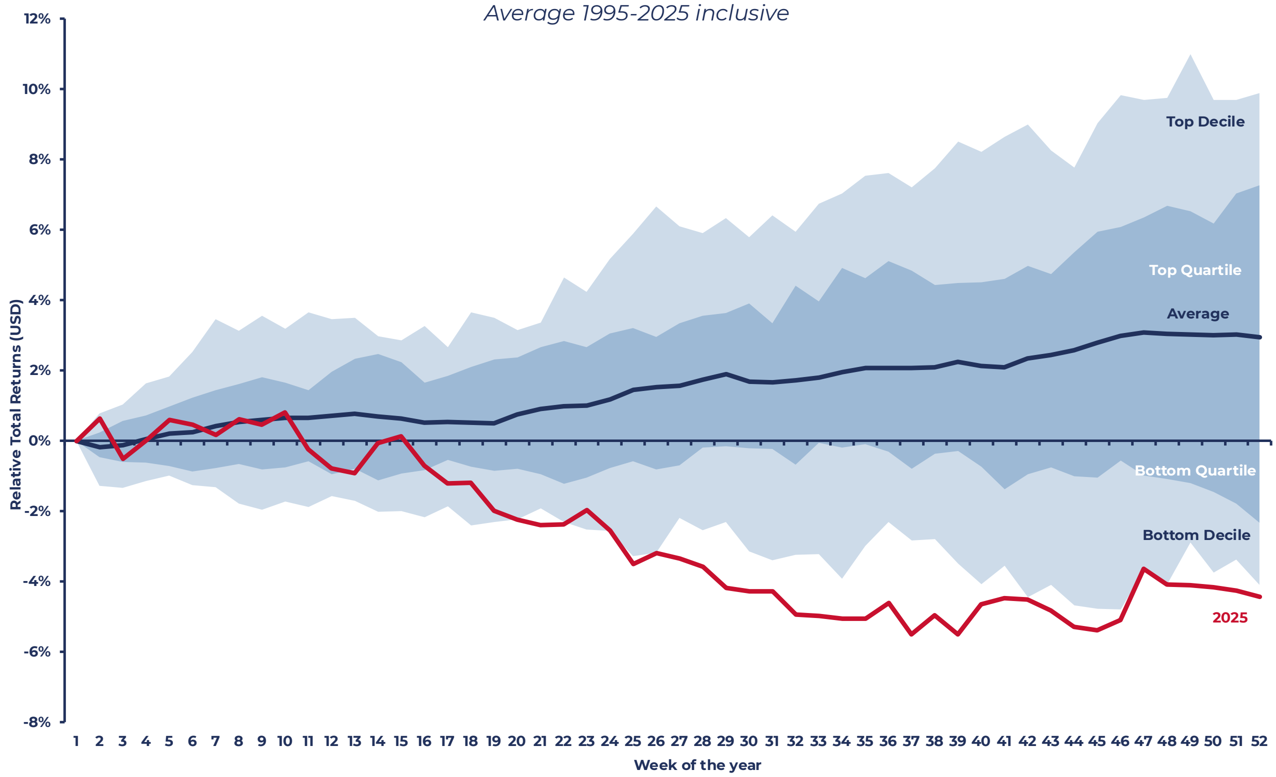



*Source: Bloomberg, Guinness Atkinson, as of December 31st 2025*

The underperformance of Quality as a factor is common during risk-on periods, when more speculative and cyclical areas of the market tend to outperform. This was the case following the 'Liberation Day' sell-off in April, after which higher volatility stocks saw significant outperformance relative to their lower-risk and higher-quality counterparts. In the chart below, we can see relative returns for the MSCI World Quality Index declining over the course of the year, placing 2025 in the bottom decile of performance since 1995.

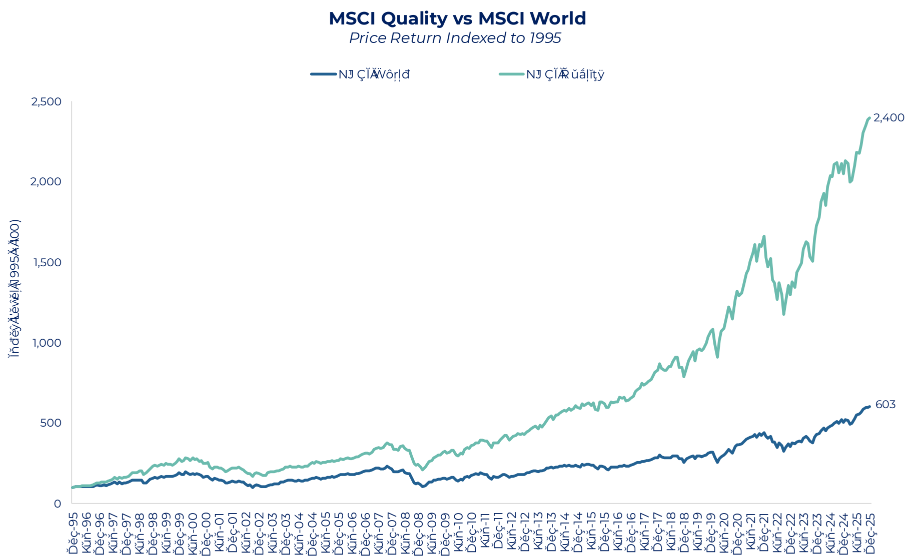
**MSCI World Quality vs MSCI World Throughout the Year**

*Average 1995-2025 inclusive*




*Source: Bloomberg, Guinness Atkinson, as of December 31st 2025*

Despite its weakness in 2025, the long-term track record of Quality has been very strong. This factor has been a reliable provider of excess long-term returns, as evidenced by it historically outperforming the benchmark on average. Quality has been in favor over much of the past three decades, with the index generating far stronger returns than its MSCI World comparator.




*Source: Bloomberg, Guinness Atkinson, as of December 31st 2025*

Quality also has defensive characteristics that make it attractive. This factor tends to show more resilience during bear markets; since 1995 the MSCI Quality Index has outperformed MSCI World by an average of 3.5 percentage points in drawdowns that exceeded 10%. In the table below, we can see that Quality has outperformed the benchmark in 10 of the 12 drawdowns which shows that Quality can help provide downside protection in falling equity markets.

| Reason for sell off | Start date | End date | MSCI World Index | MSCI World Quality | Outperformance |
|---|---|---|---|---|---|
| 1. Russian default and LTCM Crisis | 17/07/1998 | 02/10/1998 | -18.7µ | -13.6µ | 5.1µ |
| 2. Dot-com crash | 24/03/2000 | 04/10/2002 | -47.5µ | -41.4µ | 6.1µ |
| 3. Uncertainty leading up to Iraq War | 29/11/2002 | 07/03/2003 | -11.0µ | -10.0µ | 1.0µ |
| 4. Global Financial Crisis | 12/10/2007 | 06/03/2009 | -56.7µ | -46.9µ | 9.8µ |
| 5. Start of Eurozone sovereign debt crisis | 23/04/2010 | 02/07/2010 | -14.8µ | -13.0µ | 1.7µ |
| 6. US sovereign credit rating downgrade | 29/04/2011 | 23/09/2011 | -20.2µ | -12.3µ | 7.8µ |
| 7. China growth concerns | 15/05/2015 | 12/02/2016 | -16.4µ | -9.6µ | 6.8µ |
| 8. Volatility spike / US -China trade issues | 26/01/2018 | 21/12/2018 | -16.4µ | -14.1µ | 2.4µ |
| 9. Coronavirus | 14/02/2020 | 20/03/2020 | -31.9µ | -28.1µ | 3.9µ |
| 10. Inflation concerns / Ukraine War | 05/11/2021 | 14/10/2022 | -25.0µ | -28.9µ | -3.9µ |
| 11. 'Higher for Longer' Interest Rates | 28/07/2023 | 27/10/2023 | -10.2µ | -8.8µ | 1.4µ |
| 12. Trump tariff uncertainty | 14/02/2025 | 04/04/2025 | -14.4µ | -14.6µ | -0.2µ |

*Source: Bloomberg, Guinness Atkinson as of December 31st 2025 (all data gross total return in USD)*

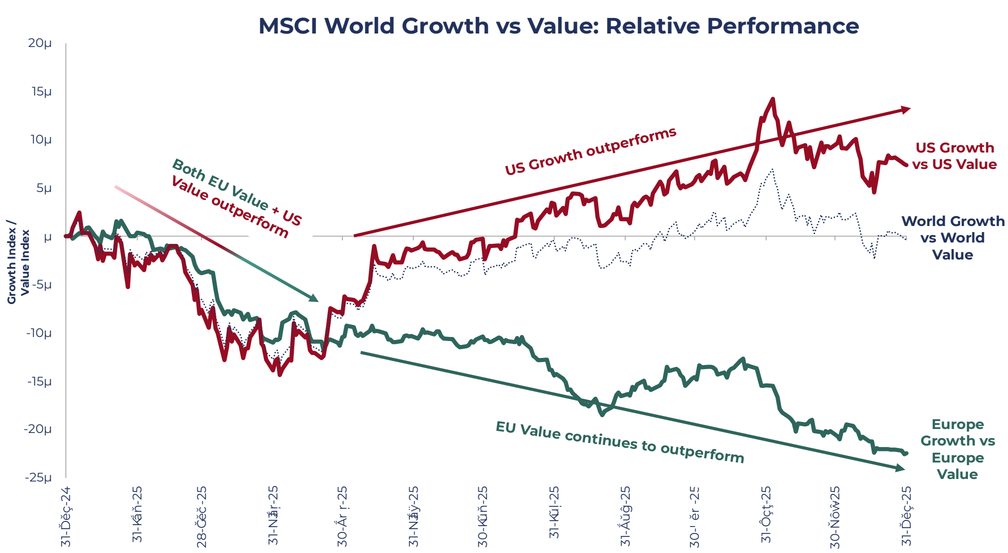
We view quality businesses as those that sustainably deploy capital into projects with attractive expected returns, without compromising their long-term financial health. This disciplined reinvestment strategy creates a compounding flywheel effect, enabling such companies to build – and, crucially, maintain – competitive advantages over time. This allows these businesses to consistently generate persistent growth and create value through a market cycle.

The Guinness Atkinson Global Innovators strategy invests in high-quality companies with exposure to secular growth themes. Using a quality approach – focusing on high returns on capital, strong balance sheets, and sustainable competitive advantages – and applying a valuation framework to stock selection helps protect against the risks of chasing fads or overpaying for future growth. This is bolstered by using equal-weight positioning in the portfolio, which encourages investing with conviction while limiting stock-specific risk.

## **2025 – The Year in Review**

It has been another extraordinary year for equities. 2025 saw the MSCI World return a third consecutive year of double-digit gains (+21.6% in 2025, +19.1% in 2024, +24.5% in 2023, in USD terms), but the shifting landscape of market leadership is what has made 2025 contrast starkly with what we have seen in previous years. It has been the weakest year for 'quality' as a factor since 2003 (when looking at the MSCI World Quality Index, as discussed in theme 6) and we saw by far the most significant period of US underperformance since 2009 (theme 1) – US underperformance in itself only occurring in 4 of the past 16 years. And despite such significant market volatility, growth and value ended the year exactly in-line.

However, under the surface, there was a significant bifurcation regionally (see chart below) – where the US saw significant 'growth' outperformance, and Europe saw significant 'value' outperformance, with these trends offsetting each other at the global level. Since the market bottom on April 9th to year-end, the core contributors (not necessarily top performers, but a combination of performance and benchmark weight) to European benchmark performance were banks, pharma, aerospace & defense, semiconductors and oil & gas – four out of five of which we would classify as 'value' orientated industries. In the US services and banks – four out of five of which we would classify as 'growth' industries.

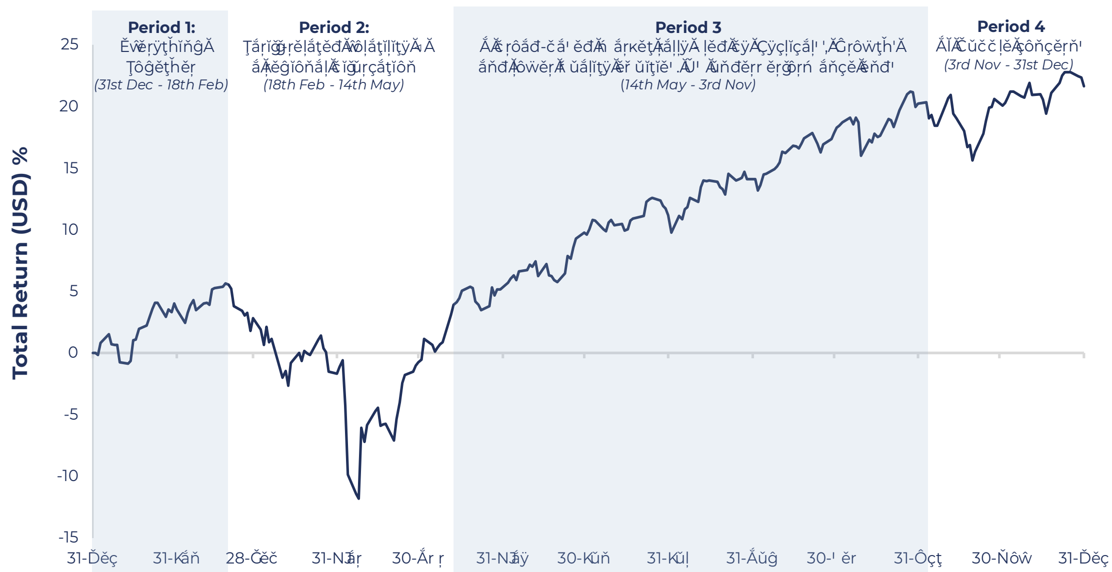



*Source: MSCI, data as of December 31st 2025*

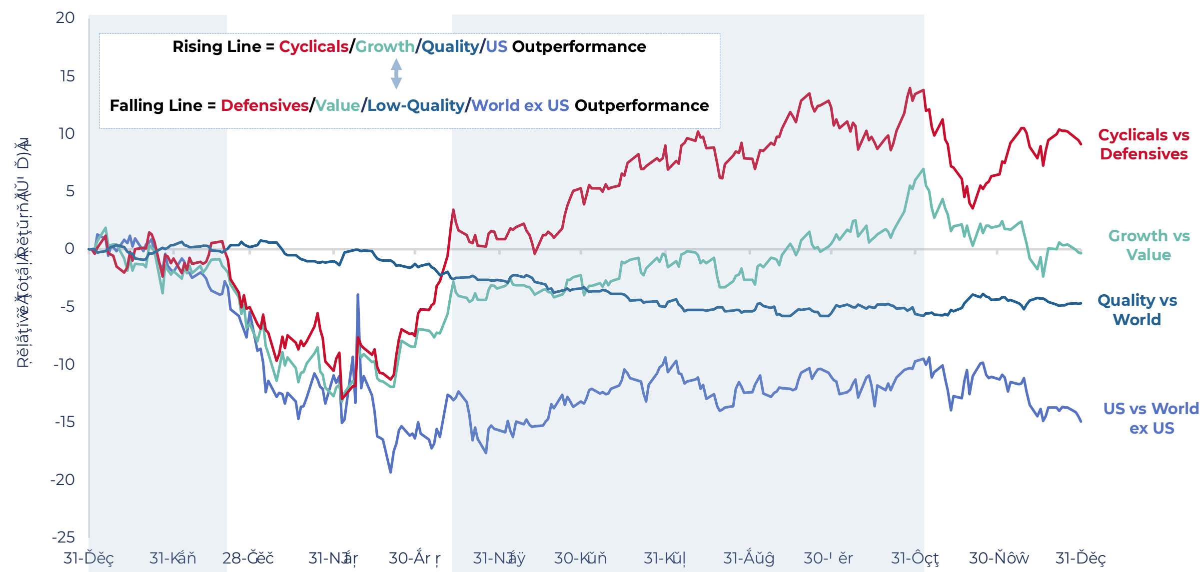
Ultimately, over 2025 we saw cyclicals outperform defensives, the US underperform the rest-of-the-world, growth and value perform in-line, and quality stocks underperforming lower-quality, speculative stocks. Yet, over 2025, these 'market leadership' positions shifted on a number of occasions. In the two charts below, we have identified four periods, defined not only by ultimate global equity performance (MSCI World) during that period, but by turning points in market leadership, as defined by factors (quality, growth, value, cyclicals, defensives) and regions (US vs rest of world).

**MSCI World Indices - Total Return**

*31st December 2024 - 31st December 2025*




**MSCI World Indices - Relative Performance**




*Source: MSCI, data as of December 31st 2025*

Here, we discuss each of these periods in detail, the macro drivers that caused the shift in market leadership, and the impact on Fund performance.

**Period 1 – Everything Together** (Dec 31st –Feb 18th)

US stocks outperformed in the immediate days following Trump's inauguration but after a blitz of executive orders, markets showed a preference for the value on offer in Europe, given the lack of immediate US tariffs, the prospect of Ukraine peace talks, and improving economic growth expectations.

*Fund performance: The Fund's overweight position to IT, the bottom performing sector over the period, acted as a drag on relative Fund performance. This was more than offset by good stock selection, with strong performance from semiconductor holdings (Infineon, KLA, LAM Research) and Communication Services (Netflix, Meta).*

**Period 2 – Tariff-related volatility and a regional bifurcation** (Feb 18th – May 14th)

The MSCI World fell ~17% between the market peak (February 18th) and trough (April 18th), with a significant bifurcation between US & non-US stocks. Weak US economic data and growing US trade policy uncertainty saw investors flock to more defensive areas of the market as cyclicals sold-off. Trump's 'Liberation Day' tariffs, far more aggressive than previously expected, caused a sharp 11% drop in the MSCI World over the following week. Non-US stocks had held up well until this point but were not immune to the sell-off that followed Liberation Day. However, the MSCI World rallied hard in the weeks subsequent to April 9th, following a de-escalation in the trade-war as Trump announced a 90-day pause on reciprocal tariffs. As seen in the bottom of the two charts above, defensives had initially outperformed cyclicals and value initially outperformed growth, but both of these trends unwound in the market rally. Both quality and the US lagged throughout.

*Fund performance: The Fund performed in-line with the benchmark over the period as a whole. The Fund's overweight to Information Technology, and zero-weighting to Consumer Staples, Utilities, Energy, Real Estate and Materials acted as a headwind for relative Fund performance during the market sell-off. However, as Trump reversed course on the 9th of April, market leadership did too, and the headwinds that benefited the Fund during the early stages of the period fully reversed and acted as tailwinds in the rebound. Positive stock selection (Amphenol, Intuit, KLA) offset a negative allocation effect, leaving the Fund in-line with benchmark over the period.*

**Period 3 – A broad-based market rally, led by 'cyclicals', 'growth' and low-quality equities.** (May 14th – Nov 3rd)

Despite a number of macro-events that had the potential to derail positive equity momentum (U.S. government shutdown, sticky inflation and a weak jobs market), equities continued to rally strongly. Euphoria around artificial intelligence was central to the rally, supported by rate cuts from the Federal Reserve, diminishing trade tensions, and corporate fundamentals pointing to a resilient business environment. Consequently, cyclicals and more speculative areas of the market outperformed, while defensive stocks and quality underperformed. The US largely moved in-line.

*Fund performance: The Fund's overweight to the benchmark's top two performing sectors, Information Technology and Communication services, and zero-weighting to the bottom-performing, Consumer Staples, were significant tailwinds to relative Fund performance during the period. This was partially offset by weaker performance from our exchanges (LSEG and Intercontinental), off-benchmark consumer discretionary holding Anta Sports, and streaming giant Netflix.*

**Period 4 – AI bubble concerns (Nov 3rd – Dec 31st)**

A period of market volatility and shifting market leadership emerged in the final period of 2025. With AI-related CapEx guidance from hyperscalers (e.g. Oracle, Meta and Google) continuing to climb and increasingly circular deals being made among key players such as OpenAI, Nvidia, Oracle and AMD, markets grew wary of an emerging AI bubble. As seen in the charts above, investors favored 'value' over 'growth' and there was a moderate rotation back towards both quality and defensives. The underperformance of the U.S. re-emerged.

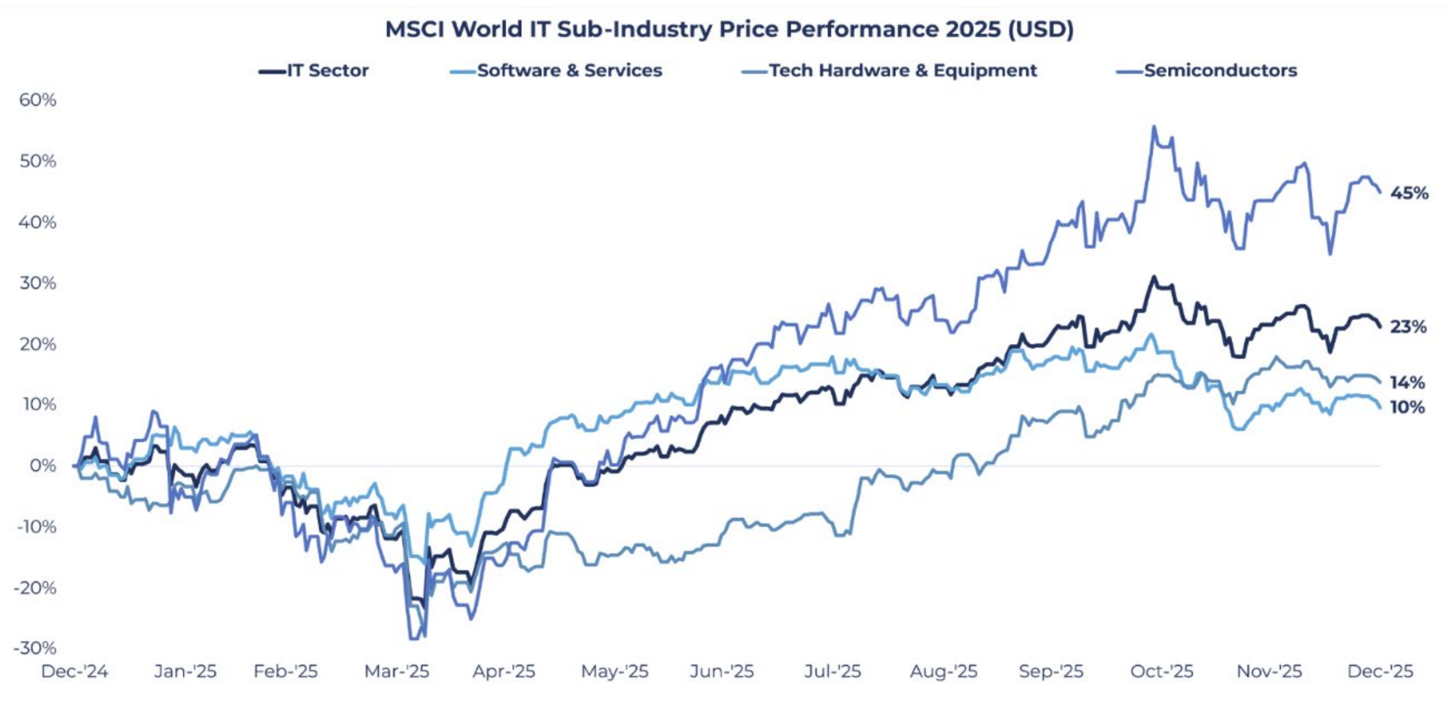
*Fund performance: The Fund underperformed in the final weeks of the year, driven by the Fund's overweight to Information Technology, despite positive stock selection within the sector (Applied Materials, Lam Research, Salesforce). The outperformance of value over growth acted as a headwind to Fund performance.*

## 2025 – The Year in Tech

Given the strong performance of the technology sector over the last year and the Fund's overweight to the sector, we break down 5 charts to describe the year in tech:

### 1. Semiconductor success

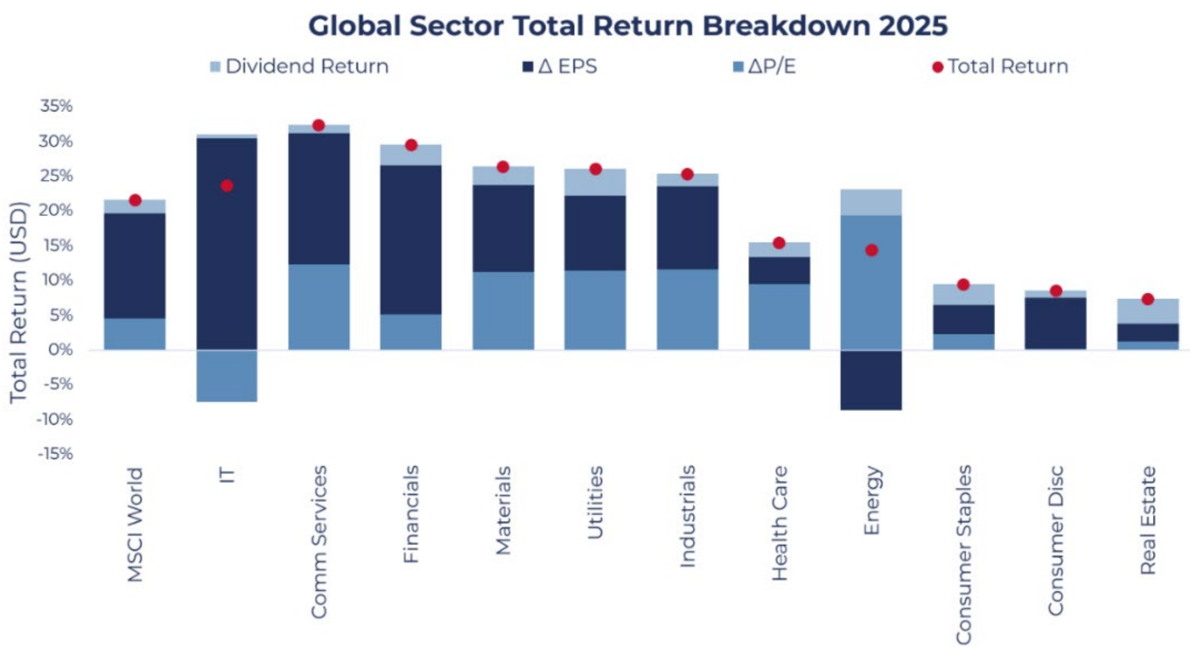
Semiconductors have been the clear outperformer within the MSCI World IT sector, finishing the year up 45% (USD), well ahead of the broader IT sector's +23% gain, reflecting sustained AI infrastructure demand. In contrast, Tech Hardware & Equipment delivered more moderate returns (14%) and the Software & Services industry group lagged notably, ending the year up only 10%, as AI disruption risk, slower enterprise spending, and monetization concerns weighed on performance.




*Source: Guinness Atkinson, Bloomberg, as of December 31st 2025*

## 2. Earnings expansion

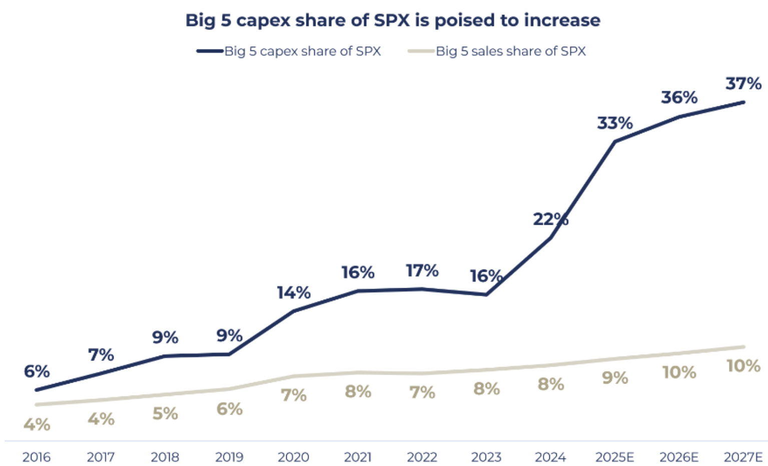
IT stands out as the strongest earnings growth story in 2025, delivering the largest positive contribution from EPS growth among all global sectors. Nearly the entirety of the sector's total return was driven by fundamental earnings expansion and was the only sector to see a multiple contraction. All other sectors (bar energy) saw a moderate combination of both multiple expansion and earnings growth, with some support from dividends too.

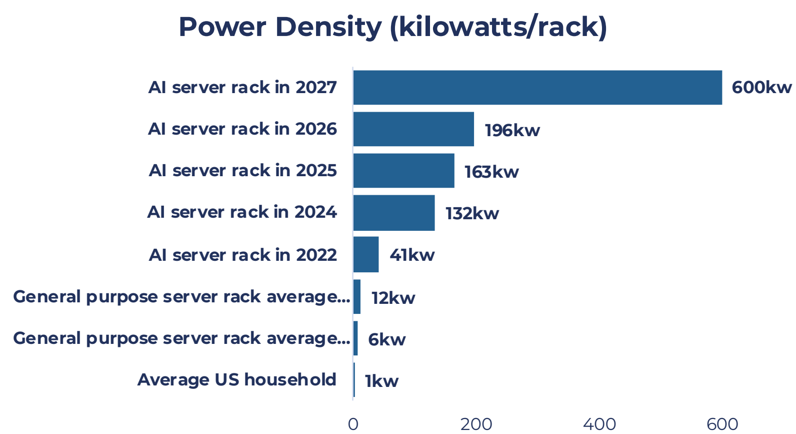



*Source: Guinness Atkinson, Bloomberg, as of December 31st 2025*

## 3. Spending spree

In 2025, the Big 5 Hyperscalers' share of total S&P 500 CapEx rose sharply, reflecting an acceleration in spending on data centers, advanced semiconductors and networking infrastructure to support rapidly growing AI workloads. Notably, this CapEx share is increasing materially faster than their share of sales, underscoring the highly capital-intensive nature of the current AI-driven build-out. This investment surge is being driven by the structural demands of AI compute, which requires significantly greater processing intensity and power density than traditional workloads. As illustrated by the rapid increase in server rack power requirements, rising from low double-digit kilowatts for general-purpose servers to well over 100kW, and potentially 600kW, for next-generation AI racks, the scale and complexity of infrastructure required continues to escalate.

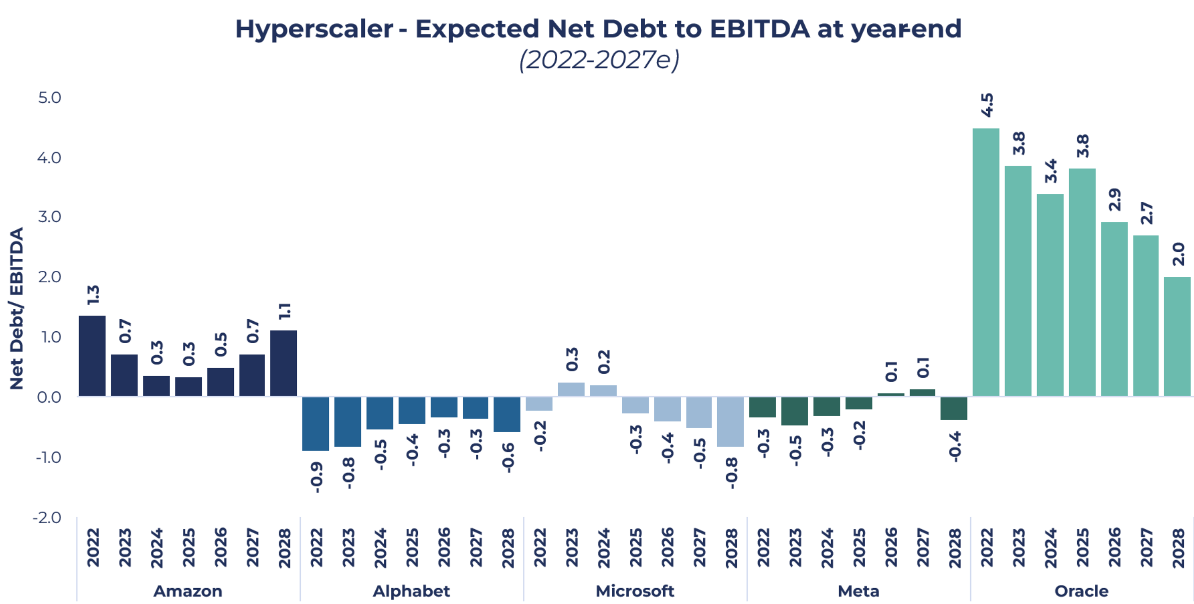



*Source: Guinness Atkinson, Goldman Sachs, Bloomberg, as of December 31st 2025*

### 4. Debt implications

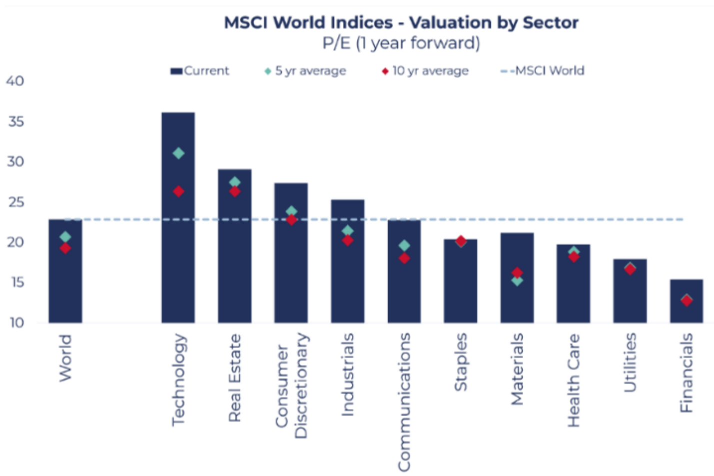
In a marked change this year, much of this spending is increasingly being funded through leverage, with Hyperscalers' long-term debt rising as AI investments accelerates. This leverage impact is most visible at Oracle, where debt has climbed alongside aggressive datacenter and cloud build-out. Reflecting growing credit market concern, Oracle's 5-year CDS spread has surged to its highest level in several years. By contrast, across the other Hyperscalers, all of which we hold in the Fund, Net Debt to EBITDA ratios remain moderate, supporting balance sheet strength and capacity to absorb incremental debt.

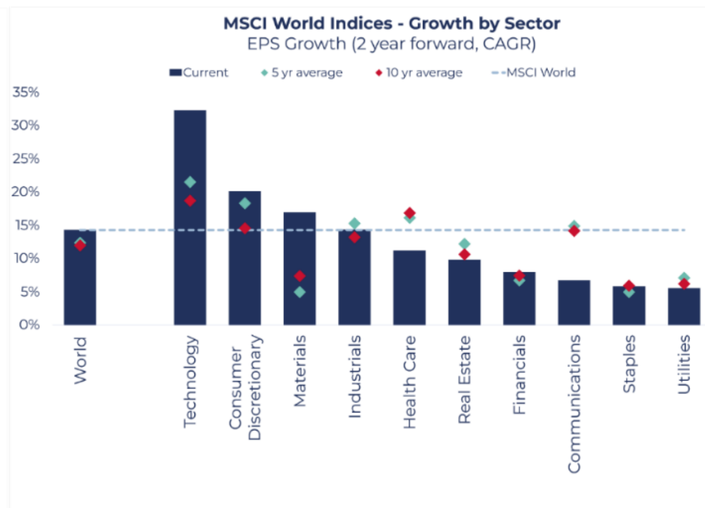



*Source: Guinness Atkinson, Bloomberg, as of December 31st 2025*

## 5. Valuation

From a valuation perspective, the IT sector continues to trade at a pronounced premium to history, with forward P/E multiples well above both 5-year and 10-year averages. This valuation elevation also places technology meaningfully above the MSCI World and other sectors likely driven by tech optimism around innovation and AI-led growth. That said, heightened valuations are arguably justified with higher expected growth, as the IT sector is expected to produce more than 30% EPS growth over the next two years, comfortably outpacing other sectors and the broader index.

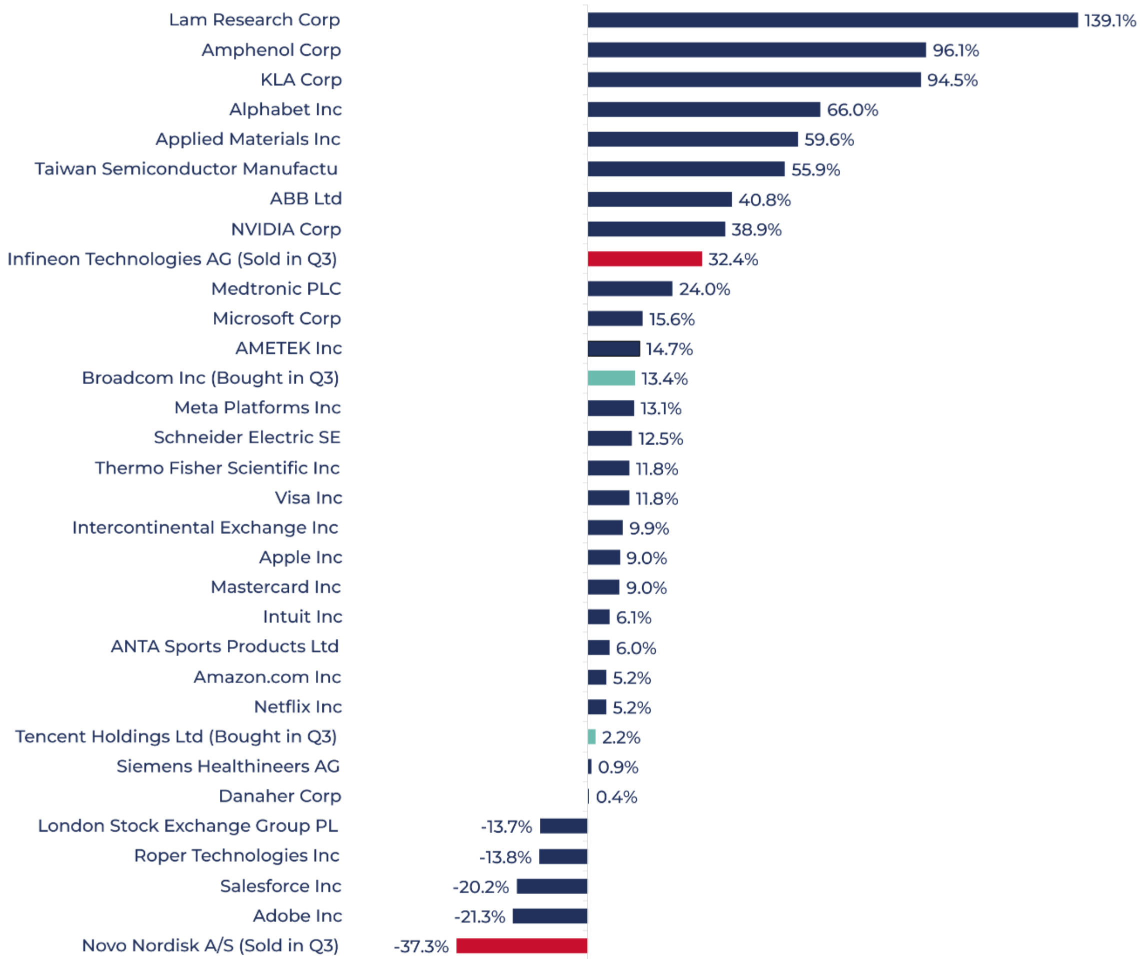



*Source: Guinness Atkinson, Bloomberg, as of December 31st 2025*

**<u>Individual stock performance in 2025</u>**

The chart below shows the fund constituents' performance over 2025 in USD.




*Source: Guinness Atkinson, Bloomberg, as of December 31st 2025*

Lam RESEARCH

## LAM Research (+139.2% in USD)

Lam Research, the US semiconductor equipment manufacturer, ended the year as the Fund's strongest performer, underpinned by robust execution and its strategic positioning at the center of the AI-driven semiconductor investment cycle. LAM Research alongside other wafer fab equipment (WFE) manufacturers KLA Corp and Applied Materials, all held in the Fund, are beneficiaries of rising CapEx and AI infrastructure spending driven by the Hyperscalers. Lam Research is a specialist in 'etch and deposition' (adding, patterning, and removing materials on a silicon wafer), KLA are focused on process control (monitoring and identifying areas to increase yield and ensure quality) and Applied Materials are a larger but broader player, who compete not only in etch & deposition and process control, but also front-end (transistor and interconnect formation, CMP etc.) and back-end processes (advanced packaging). The AI infrastructure build-out is a significant tailwind for these firms, as Hyperscalers require not only more, but higher complexity chips, driving chipmakers to invest heavily in capacity and cutting-edge chipmaking technologies. Over the year, Hyperscalers have delivered upgrades to their AI CapEx outlooks driving positive sentiment for the WFE manufacturers and feeding into management commentary - at LAM's most recent earnings, for example, the company highlighted that there would be $8bn in WFE spend for every $100bn spent in data center CapEx, providing a supportive demand environment.

Alongside a broadly positive outlook, LAM research has delivered several quarters beating expectations across revenues, margins and EPS. Growth in Foundry and DRAM (Dynamic Random Access Memory) spending, which support logic and memory chips used in data centers and AI applications have more than offset cyclicality and softer conditions in other chip types such as NAND (Not And gate). Further, LAM has demonstrated operational strength as they reach record gross margin levels this year (>50%) driven by greater efficiencies, favorable product mix and strong customer demand for advanced nodes. Despite some concerns over significant contributions from China to growth this year, management expect this to normalize over time as export controls and earlier over-ordering unwind but still see the broader wafer fabrication equipment market as healthy. Lam is particularly well positioned for this environment due to its leadership in etch and deposition, its growing exposure to advanced technologies such as high-bandwidth memory and advanced packaging, and its sticky, high-margin services business. With a strong competitive moat, rising equipment intensity, and sustained AI-led demand, Lam continues to show itself as a high-quality semiconductor company with solid growth prospects.

## Amphenol

**Amphenol (+96.1% in USD)**

Amphenol is a leading designer and manufacturer of electrical, electronic, and fiber-optic connectors and interconnect systems, sensors, and cables. The company was one of the Fund's best performers over the year, having repeatedly printed strong quarterly results. Amphenol reported record third quarter sales, which grew +53% versus the prior year period. This was mainly due to organic growth in the IT datacom market, given robust demand for technologies related to data centers. The company's exposure to secular growth tailwinds in artificial intelligence gives us confidence in the outlook for Amphenol; this is evidenced by their solid order growth, up +11% sequentially in the third quarter, which is a positive leading indicator. Management also spoke to strong execution across end markets, achieving double-digit organic growth in all but one. This broad-based performance supported improving profitability, with adjusted operating margin expanding in the third quarter by +720bps year-over-year to reach a record 27.5%. The company has bolstered its organic growth prospects with strategic acquisitions to facilitate the expansion of their product portfolio and geographic coverage. Amphenol added to deals made earlier in the year with its recent purchase of Rochester Systems, which is a leading manufacturer of application-specific liquid level sensors that are primarily used for industrial applications. Management also expects to close their previously announced acquisitions of CommScope's Connectivity and Cable Solutions business and Trexon in the coming quarters.

While we note there remains some uncertainty around trade policy in the United States, the company has a localized production strategy that should mitigate risks related to tariffs. Since facing tariffs mainly directed towards China in 2017, Amphenol has increasingly been making products in the regions where their customers are buying them. Though we continue to watch for developments on tariffs, it is pleasing to see Amphenol benefiting from robust demand across its diversified range of end markets. Management have continued to return capital to shareholders, too, with the Board of Director's recently approving a +52% growth in the quarterly dividend. We see these results as supportive of our view that Amphenol is a quality company with exposure to structural growth drivers and a solid capital allocation policy.

## Adobe (-21.3% in USD)

Adobe has encountered headwinds over the past 2 years, following a wave of AI-driven enthusiasm that propelled its share price up 77% (USD) in 2023. Initially seen as a beneficiary of the generative AI boom, investor optimism centered on Adobe's innovation in creative and marketing automation. Firefly, for example, the company's flagship generative AI tool launched in March 2023, quickly gained momentum - generating over 16 billion creative outputs and setting adoption records. Despite these promising metrics, Adobe's stock performance has faltered as the market digested a disconnect between management's upbeat narrative and quarterly results that have lagged expectations. Notably, market skepticism has been less about the portfolio of Adobe's AI offerings and more about the pace and clarity of their monetization. At the same time, the creative design market has grown increasingly competitive, with players such as OpenAI, Canva, and emerging startups releasing new generative tools - including text-to-video products - that challenge Adobe's leadership.

Rather than focusing on product monetization, however, the company has focused their efforts on broad adoption - a strategy reminiscent of its successful rollout of PDF technology. While large enterprises value Adobe's "commercially safe" AI tools, the company also sees a much larger opportunity in historically underpenetrated segments: non-traditional enterprise users and individual creators. By driving adoption across these untapped audiences, Adobe is laying the groundwork for deeper monetization over time. Today, AI revenue remains a 'show-me' story, but indicators are encouraging. Standalone AI-first revenue (i.e. excluding enhancements to existing Adobe products) is tracking at ~$250 million in annual recurring revenue (ARR) for FY25, while total AI-related ARR is believed to exceed $3.5 billion – approximately a third of the business. Long term targets include taking this to 100%. Meanwhile, Adobe continues to exhibit high-quality fundamentals: a subscription-based model that generates over 96% of revenue, profit margins approaching 30%, and a deep distribution network supported by strong brand equity. These attributes should provide a durable competitive edge, but we remain cognizant of the changing landscape and potential for competition. At about 14x PE, Adobe looks to be de-risked from a valuation perspective, yet the firm is growing double-digits and has maintained leading quality credentials. The company's recent (as of Q425) $12bn buyback program reinforces this view.

## Salesforce (-20.2% in USD)

**Salesforce ended 2025 as one of the Fund's weakest performers.** Salesforce, the market-leading provider of cloud-based CRM software, entered 2025 off the back of very strong momentum (2024 H2 +31% total return) as the firm was increasingly seen as a winner from enterprise AI adoption. The firms focus in recent years has been on building out infrastructure to support AI agents embedded across sales, services and marketing product suites, serving to further entrench the firm's competitive advantage in CRM software. Through the back-end of 2024 and early 2025, there were elevated expectations that these AI agents would be enough to re-accelerate declining levels of top-line growth since early 2023. However, as 2025 progressed, markets began to question both the timeline and scale of monetization. Salesforce's most recent 'Agentforce' product has been position as a step-change in enterprise productivity, yet as with a number of software as a service (SaaS) companies over 2025 (including Adobe), markets became less focused on capability announcements and more focused on near-term proof of monetization and revenue inflection. High hopes of a near-term growth inflection were dashed early in the first earning print of 2025, as management guided to a continued revenue slowdown over 2025, marking the beginning of a prolonged period of share price underperformance for the stock. Concerns over the longevity of the firm's existing pricing model also emerged, with Salesforce's 'per-seat' (per-user) pricing model seemingly under threat by the prospect of AI agent's automating entire workflows, therefore reducing the needs for users, and weaking 'seat based' growth.

While sentiment around the stock may have been weak, fundamentals remained strong. Earnings expectations for fiscal years 2026 and 2027 increased 5.0% and 3.4% over the year respectively, margins continued to reach all-time highs, and despite the revenue guide for FY26 falling short of consensus in February 2025, expectations ended the year exactly in-line with where they began, while FY27 saw a ~1% upgrade. Weak sentiment towards the firm has not necessarily been about current company performance however, nor about Salesforce's ability to develop credible AI products, but around about how quickly AI can expand annual recurring revenue, versus simply enhancing existing subscriptions. While the roadmap towards monetization may be occurring slower than the market would like, there is clear evidence that AI momentum is growing – a narrative that resulted in a strong, positive market reaction in December. Six of the firm's top 10 deals in the final quarter were exclusively AI deployments, showing the traction the product is having among its larger customers. The number of 'Agentforce' accounts grew 70% quarter-over-quarter, and Agentforce ARR was up 330% year-on-year. With Remaining Performance Obligation inflecting to +12.0% (from a low of +10% last quarter, and management pointing to "the largest pipeline generation quarter ever", the slide in growth appears to have at least stabilized, and management commentary indicates that a growth inflection may be on the near-term horizon. In our view, Salesforce's struggles in 2025 reflect a transition phase rather than a structural decline, and the firm remains well positioned to benefit from a technology that can materially lift growth at scale.

## Changes to the portfolio

We sold two positions and initiated two new positions over the course of 2025.

**Number of changes to the portfolio**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Buys** | 6 | 7 | 4 | 5 | 3 | 5 | 3 | 3 | 1 | 4 | 2 |
| **Sales** | 6 | 7 | 4 | 5 | 3 | 5 | 3 | 3 | 1 | 4 | 2 |
| **Total Holdings** | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |

## Sells

novo nordisk®

### Novo Nordisk

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

The stock had been under pressure for much of the past year amid rising concerns about increased competition, disappointing trial data from its next-generation obesity drug CagriSema, and persistent supply chain challenges. We maintained our holding on the expectation that several positive catalysts - including the phasing out of compounded drugs, new partnerships with CVS and telehealth providers, and a belief that the market was overly discounting Novo's long-term position - would ultimately be turning points for the stock.

However, the profit warning during July called into question these assumptions. Specifically, management reduced FY25 sales guidance by 6% and cut its free cash flow outlook by 1/3rd driven by continued competition by compounded drugs (despite the FDA removing Novo's Semaglutide drug from its shortage list), broader competition in both the US and international markets, and a slowing of the overall GLP-1 market. Compounding that was the appointment of a new CEO from within the company versus the market's expectations (or hope) for an external hire (risk of 'more of the same'), with the technical nous to improve competitiveness in the US market.

Given these developments, we no longer had sufficient conviction in Novo's ability to deliver attractive risk-adjusted returns over the longer term, and as a result, we exited the position.

Infineon

### Infineon

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

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

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

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

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

**Buys**

### Broadcom

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

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

### Tencent

**The investment case for Tencent rests on a uniquely diversified portfolio of high-quality businesses with a number of strong growth drivers, all at an attractive valuation.** Tencent has a user base of 1.3bn monthly-active-users on WeChat alone (Chinese population of 1.4bn), virtually the entire Chinese population as active users. Spanning use cases across messaging, entertainment, payments, e-commerce, ride-hailing, government services, and even healthcare access, this breadth has made WeChat a near-essential app in daily life, embedding Tencent deeply in the routines of individuals and businesses. This entrenchment offers Tencent not just numerous competitive advantages that underline the firm's quality, but provides significant growth optionality.

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

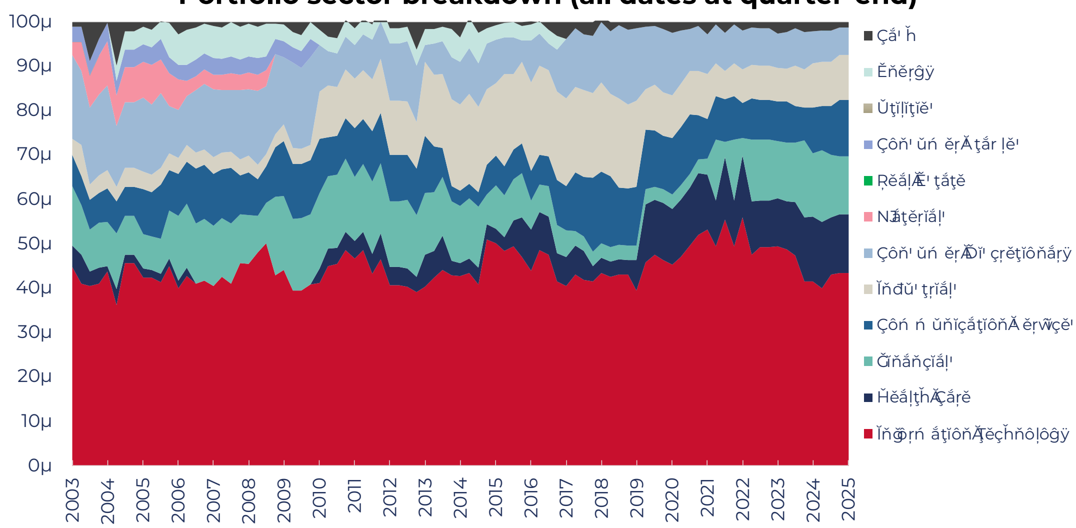
Diversification also extends into Tencent's growth profile, with the firm's three segments each offering a large contribution to the firm's high-single-digit top-line revenue growth outlook over the mid-term. Growth is not reliant on any one business or customer group, or any single type of macro-environment,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

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

## Portfolio characteristics

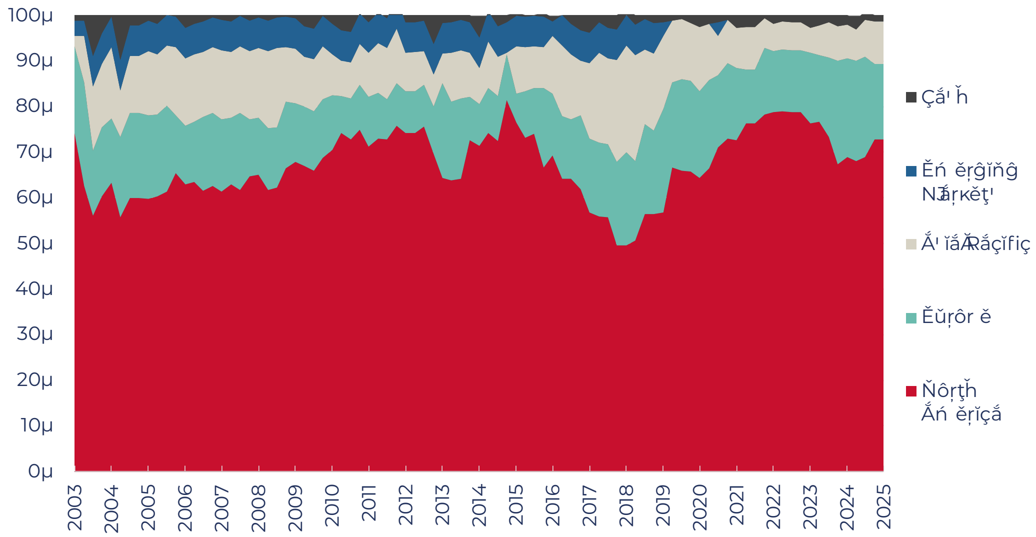
The charts below show the sector and geographic breakdown of the portfolio at the end of each quarter since the strategy's inception.

**Portfolio sector breakdown (all dates at quarter-end)**




Source: Guinness Atkinson, Bloomberg, as of December 31st 2025

## Portfolio geographic breakdown (all dates at quarter-end)

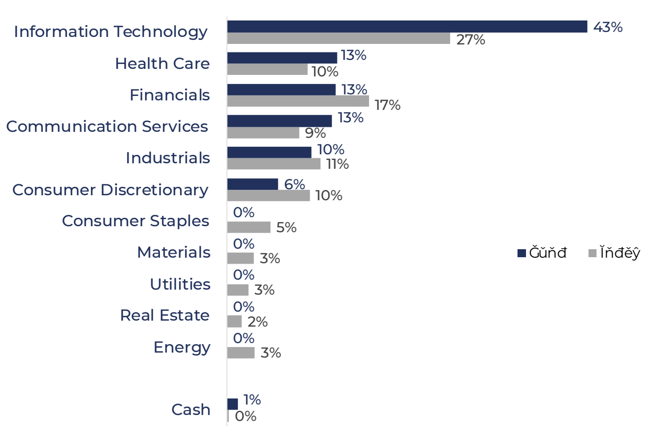



Source: Guinness Atkinson, Bloomberg, as of December 31st 2025

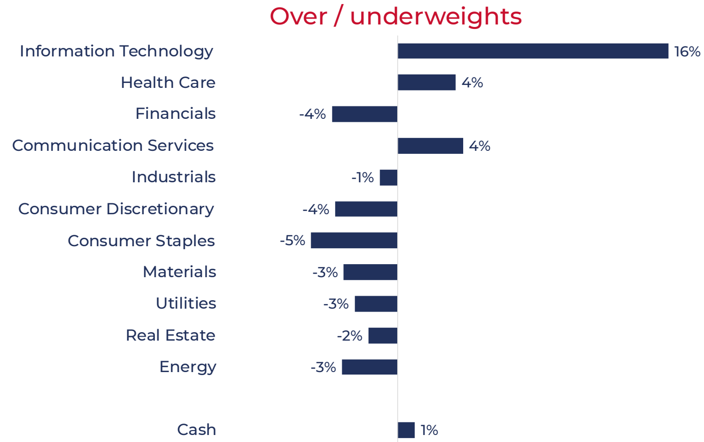
Over 2025, the net effect of the two buys and sells has increased the Fund's overweight to the Communication Services sector and decreased the exposure to the Health Care sector. Further, in comparison to last year, the Fund's geographic exposure has seen a shift towards North America and Asia Pacific and away from Europe having purchased Broadcom and Tencent and sold both Novo Nordisk and Infineon.

## Sector breakdown of the fund versus MSCI World Index

### Fund allocation vs MSCI World Index

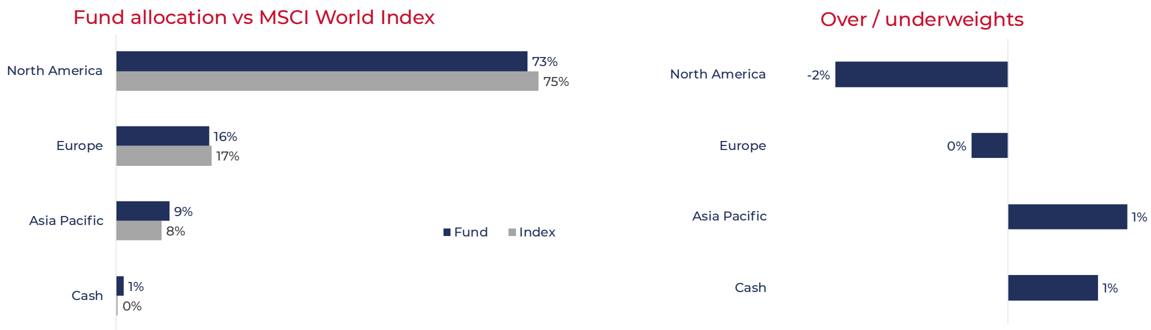



### Over / underweights




Source: Guinness Atkinson, Bloomberg, as of December 31st 2025

**Geographic breakdown versus MSCI World Index**




Source: Guinness Atkinson, Bloomberg, as of December 31st 2025

## Engagement

At Guinness Atkinson, we believe that both individual and collaborative action around ESG issues is an important part of the investment process.

In 2025 we continued our participation in the CDP non-disclosure campaign, which offers investors the opportunity to engage with companies that have received the CDP disclosure request but have not yet provided a response. The objective of the annual campaign is to drive further corporate transparency around climate change, deforestation, and water security, by encouraging companies to respond to CDP's disclosure requests. As of 2025, we are pleased to note that 27 of the Fund's 30 holdings have disclosed to the latest CDP climate change reporting cycle. In the case of one of the remaining three companies, disclosure was made at the parent company level. We have already written to the other two holdings, Ametek and Netflix, both acquired in 2024, to encourage their participation in CDP reporting.

While disclosure is a significant first step, we view setting strong, achievable climate targets as critical in aligning companies globally to the goals set within the Paris Agreement, to limit global temperature rise to below 1.5°C by 2050. We also believe it focusses companies on their exposure to broader business risk associated with emissions and the costs that can be incurred. Following from the success that the CDP campaign has had in encouraging our Fund holdings to disclose, we then felt it was important to then encourage our Fund holdings to set science-based emissions reduction targets (SBTs) through the Science Based Targets initiative (SBTi). The SBTi is a partnership between the CDP, UN Global Compact, WRI and WWF, and is a globally recognized standard in setting audited emission reduction targets. Its main purpose is to provide companies with resources and assistance to future-proof business growth by setting science-based emissions reduction targets that are aligned to the Paris Agreement.

Over 2023, within the Global Innovators Fund and as part of a campaign led by the SBTi, we were co-signatories to eight companies who had yet to submit Science Based Targets last year. We followed up this co-signed letter with our own letter, not only encouraging SBTi-audited targets, but encouraging them to pledge continued commitment to the CDP going forward (given that they have previously participated in the CDP campaign). We continued from our efforts into 2024 as we re-engaged with 5 companies and initiated SBTi engagement on Ametek, which we purchased in the year. As of 2025, 21 out of 30 of our Fund holdings have set SBTi-approved targets and commitments. During 2025, Fund holding Nvidia committed to and subsequently received SBTi validation for two near-term emissions reduction targets. Since 2023, we have been engaging with Nvidia on the importance of setting emissions reduction targets and registering them with the Science Based Targets initiative (SBTi). We were therefore pleased to see that, in July 2025, Nvidia committed to reducing absolute Scope 1 and 2 emissions by 50% by FY2030 from a FY2023 base year, and to reducing Scope 3 emissions from the use of sold products by 75% per PetaFLOP over the same timeframe.

Building on our executive remuneration engagement that we started in 2023, we continued discussions with portfolio companies on the design and effectiveness of management incentive structures. Following a review of remuneration policies across all holdings, we see strong evidence that incentive frameworks materially influence management decision-making, corporate strategy, and overall company performance.

In 2023, we analyzed the remuneration structures of all 30 Global Innovators holdings and engaged with 15 companies on best-practice approaches. These discussions continued through much of 2024, alongside an increased focus on companies that experienced meaningful shareholder dissent (approximately 10% or more) on their most recent remuneration proposals. In 2025, we engaged with 10 holdings on executive remuneration. Notably, one holding, Thermo Fisher, received significant shareholder dissent (64%) against executive compensation at its 2025 AGM. We discussed the substantial changes the company intends to propose next year and were encouraged by its proactive engagement with shareholders representing over 50% of voting power.

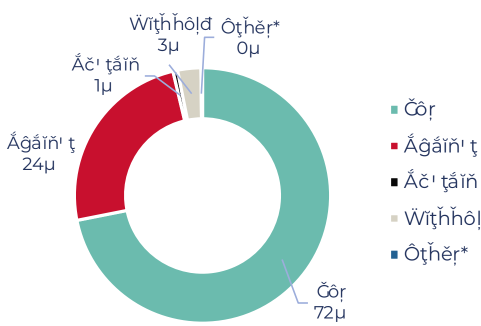
Overall, we are encouraged that, in most cases, companies are actively considering investor feedback and exploring changes to executive compensation structures to better align management incentives with shareholder interests. We will continue to monitor developments and engage with portfolio companies on these issues throughout 2026.

## Proxy Voting

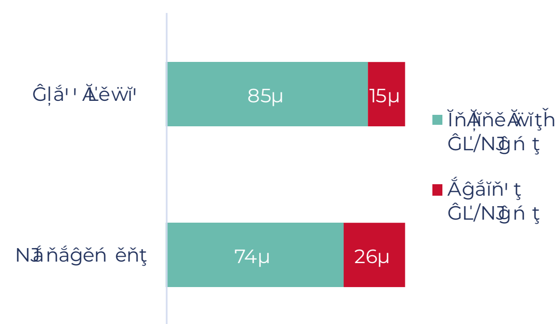
At Guinness Atkinson Funds, we manage the voting rights of the shares entrusted to us. Our voting philosophy reflects our corporate values, our long-term perspective, and our focus on sustainable returns. Over 2025, we voted in 96% of the 535 proposals allocated to holdings within the Guinness Atkinson Global Innovators Fund. It is important to note that in order to vote in some markets, such as Switzerland, some markets require shares to be temporarily immobilized from trading until after the shareholder meeting has taken place. In these instances, we decided it would be in clients' best interests to refrain from voting – these 'non-voted' proposals accounted for the remaining 4% of proxy votes.

Of the proposals voted, 26% were 'Against' management, and 15% were 'Against' the recommendations of Glass Lewis, our proxy voting provider.

**Proxy Voting Results**
Guinness Atkinson Global Innovators




**Voting Decisions**
Guinness Atkinson Global Innovators




**Other includes votes such as '1 year', 'take no action', and 'do not vote'.*

## Outlook

The Guinness Atkinson Global Innovators fund seeks to invest in high-quality growth companies, that have exposure to long-term secular growth trends and that are trading at reasonable valuations.

During the year, the Fund benefited from continued optimism surrounding Artificial Intelligence - one of the nine key innovation themes to which the strategy has significant exposure. Equities were further buoyed by rate cuts from the Federal Reserve and strong corporate earnings. However, as is common in risk-on periods, more speculative areas of the market were in favor and high-quality stocks underperformed. This made 2025 a more challenging environment for the Fund, with its focus on companies that have high returns on capital, strong balance sheets, and sustainable competitive advantages. Over the long run, this approach, combined with a growth-at-a-reasonable-price framework, has helped the Fund avoid volatile, non-profitable businesses that have typically seen large swings in valuations and underperformance over longer time frames. In the last decade, the quality factor has been a reliable provider of excess returns, as well as a source of downside protection during bear markets. We are pleased with the Fund's longer-term performance, with Guinness Atkinson Global Innovators remaining in the top quartile versus peers across 3-, 5-, 10-, 15-, and 20-year periods.

The Fund is exposed to the secular trend of Artificial Intelligence through its investments in several of the leading enablers and integrators within the space. This has been a defining theme of 2025 and a key tailwind to performance over the year. However, the Fund is diversified across a number of other long term secular themes, that we believe should benefit from continued growth prospects with less sensitivity to the broader economic cycle. In our view, a diversified approach helps protect the Fund against the potential 'boom/bust' cycles that investing in a single theme may experience, thereby reducing volatility of returns but maintaining the ability to potentially capture the upside of strong growth trends. A focus on valuation further aids our ability to avoid costly de-ratings of more speculative companies when growth, or the macro environment, disappoints.

The table below illustrates how the portfolio at year-end reflects the four key tenets of our approach: growth, quality, value, and conviction. The Fund has superior growth characteristics to the broader market, with both a higher trailing revenue growth rate, alongside higher estimated growth over 2027 (vs 2026). Fund holdings, on average, offer higher quality attributes than the broader index, with a significantly greater Return on Capital and more robust balance sheets. The fund currently trades at a 15.9% premium to the benchmark on a 1 year forward P/E basis which we believe is reasonable relative to the more attractive set of characteristics.

**Portfolio metrics versus MSCI World Index**

| | | Fund | MSCI World Index |
|---|---|---|---|
| **Growth** | Trailing 5-year sales growth (annualized) | 15.3% | 5.2% |
| | Estimated earnings growth (2027 vs 2026) | 13.9% | 12.1% |
| **Quality** | Return-on-Capital | 24.1% | 9.4% |
| | Median net debt / equity | 19.2% | 38.8% |
| **Valuation** | PE (2026e) | 23.1x | 20.0x |
| | PE (2026e) vs MSCI World Growth* | 23.1x | 27.2* |
| **Conviction** | Number of stocks | 30 | 1320 |
| | Active share | 78% | - |

Source: Guinness Atkinson, Bloomberg, as of December 31st 2025

Looking ahead to 2026, global equity markets face an increasingly complex environment, yet there are clear grounds for optimism. Fiscal support in both Europe and the United States should be supportive to growth and is likely to be reinforced by further monetary easing through 2025, with policy rates in the US, UK and Europe already well below their 2023 peaks and further cuts expected as inflation pressures moderate. In parallel, the AI-driven capital expenditure cycle continues to gather momentum, spanning investments in power infrastructure, data centers and semiconductors, and providing a durable tailwind to corporate earnings. Collectively, these forces support a favorable earnings backdrop, with global EPS growth anticipated to remain robust over the coming year. However, this positive narrative is tempered by several uncertainties. Inflation dynamics are becoming increasingly uneven, particularly in the US, where the combined effects of tariffs and fiscal stimulus appear inflationary and may constrain the scope of further monetary easing. At the same time, emerging signs of US labor market softening and the potential for a slowdown in consumer spending muddy the macroeconomic backdrop. Global equity markets enter 2026 with valuations at elevated levels, with many stocks trading at a premium to long-term averages. This valuation starting point increases sensitivity to external shocks or negative catalysts, most notably the risk of an AI bubble burst.

In such an environment, we remain grounded in our investment philosophy of finding high quality stocks with exposure to long term secular growth themes as these companies have scope to grow while being protected by better fundamental characteristics in terms of margins and balance sheets but also performing well during cyclical upswings. We are confident that the Fund's focus on high quality growth stocks, underpinned by structural changes stands us in good stead going forward. Our bottom-up approach helps to identify these quality growth companies, while also maintaining a valuation discipline. In addition, our equally weighted positions limit over-reliance on any single company. We continue to focus on these key tenets in the Fund and remain confident of this process over the long term.

For more context on our thinking for 2026, please see our December 2025 commentary where we set out a broader outlook for equity markets.

May we wish you a happy and prosperous New Year, and we look forward to updating you on the progress of the fund over the course of 2026.

We thank you for your continued support.

**Portfolio Managers**

Matthew Page, CFA      Dr Ian Mortimer, CFA

## PERFORMANCE

In 2025, the Fund provided a total return of 20.2% (in USD) against the MSCI World Index net total return of 21.1%. Therefore, the Fund underperformed the benchmark by 0.9%.

2025 proved to be another impressive year for equities, with the MSCI World returning a third consecutive year of double-digit gains. Global equity markets were positive overall, despite turbulence resulting from shifting tariff policy, geopolitical uncertainty, and mixed economic indicators. Artificial intelligence was one of the defining themes of the year, with rate cuts from the Federal Reserve and strong corporate earnings further fueling investor optimism. Given this risk-on sentiment, cyclicals outperformed defensives and more speculative, lower quality areas of the market benefited. Consequently, 2025 was the worst year for quality stocks since 2003, declining mid-single digits against the broader benchmark. The US also saw a rare period of underperformance relative to international markets, despite the leadership seen from the technology sector and Magnificent 7 stocks. Towards the end of the year, concerns grew regarding the possibility of a market bubble, as AI-related capex climbed even further and increasingly circular deals were announced.

Looking ahead to 2026, spending on AI is likely to provide an ongoing tailwind to equity markets. This should be supported by a favorable monetary backdrop and fiscal stimulus programs. However, increasing uncertainty regarding inflation and geopolitical risks are expected to be sources of volatility in the year ahead.

Over 2025, fund performance relative to the MSCI World Net TR Index can be attributed to the following:

- As the benchmark's top performing sector, the Fund benefited from both positive asset allocation and stock selection within the Information Technology sector, partly driven by the Fund's overweight to names in the semiconductor industry. Fund holdings LAM Research (+139.2% USD), KLA Corp (+94.5%) and Applied Materials (+59.6%) have all seen increasing semiconductor equipment spending and heightened demand from the ongoing AI infrastructure buildout.

- The Fund also benefited from its zero-weighting to the Consumer Staples, Utilities and Real Estate sectors, among the worst-performing sectors.

- Stock selection within the Financials sector acted as the greatest detractor to performance primarily due to the Fund's holding in London Stock Exchange Group (-13.7%). The stock faced weakness from investor concerns over the threat posed by AI to the company's model and datasets, despite delivering strong earnings over the year.

- The Fund generated positive asset allocation from its relative overweight to the Communication Services sector, ending the year as the second-best performing sector in the Index.

- The Fund's quality approach was a headwind in 2025, with the factor suffering a rare year of underperformance relative to MSCI World. High-quality stocks lagged as optimism surrounding AI fueled greater risk-taking behavior, driving unprofitable tech – to which we have no exposure – higher.

**Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. For most recent month-end and quarter-end performance, https://www.gafunds.com/our-funds/global-innovators-fund/#fund_performance or call (800) 915-6566.**

| as of 12.31.2025 (in USD) | 1 year | 3 years annualized | 5 years annualized | 10 years annualized |
|---|---|---|---|---|
| Global Innovators, Investor Class[1] | 20.24% | 26.05% | 11.35% | 14.64% |
| Global Innovators, Institutional Class[2] | 20.54% | 26.37% | 11.63% | 14.92% |
| MSCI World Index NR | 21.09% | 21.17% | 12.15% | 12.17% |

All returns after 1 year annualized.

[1] Investor class (IWIRX) Inception 12.15.1998 Expense ratio* 1.24% (net); 1.25% (gross)
[2] Institutional class (GINNX) Inception 12.31.2015 Expense ratio* 0.99% (net); 1.10% (gross)

[2] Performance data shown for Global Innovators, Institutional Class (GINNX), prior to its launch date on 12/31/15, uses performance data from the Global Innovators, Investor Class (IWIRX).

**Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. For most recent month-end and quarter-end performance, https://www.gafunds.com/our-funds/global-innovators-fund/#fund_performance or call (800) 915-6566.**

*The Advisor has contractually agreed to reimburse expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, dividends on short positions and extraordinary expenses) in order to limit the Fund's Total Annual Operating Expenses to 1.24% for the Investor class and 0.99% for the Institutional class through June 30, 2028. To the extent that the Advisor absorbs expenses to satisfy this cap, it may recoup a portion or all of such amounts absorbed at any time within three fiscal years after the fiscal year in which such amounts were absorbed, subject to the expense cap in place at the time recoupment is sought, which cannot exceed the expense cap at the time of waiver. The expense limitation agreement may be terminated by the Board of the Fund at any time without penalty upon 60 days' notice.

Mutual fund investing involves risk and loss of principal is possible. Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries. The Fund also invests in medium and smaller companies, which will involve additional risks such as limited liquidity and greater volatility. The Fund's focus on the technology, internet and communications sectors are extremely competitive and subject to rapid rates of change.

Securities mentioned are not recommendations to buy or sell any security.

Current and future portfolio holdings are subject to risk.

Top 10 holdings for Global Innovators Fund, as of 12/31/2025:

| | | |
|---|---|---|
| 1. | Lam Research Corp | 3.63% |
| 2. | Applied Materials Inc | 3.60% |
| 3. | salesforce.com Inc | 3.52% |
| 4. | Alphabet Inc - A Shares | 3.50% |
| 5. | Meta Platforms Inc. - Class A | 3.47% |
| 6. | Siemens Healthineers AG | 3.44% |
| 7. | Intercontinental Exchange Inc | 3.41% |
| 8. | ABB Ltd | 3.41% |

9. Danaher Corp 3.40%
10. Adobe Inc 3.37%

For a complete list of holdings for the Global Innovators Fund, please visit: https://www.gafunds.com/our-funds/global-innovators-fund/

***The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information and can be obtained by calling 800- 915-6565 or visiting www.gafunds.com. Read and consider it carefully before investing.***

Earnings growth is not representative of the Fund's future performance.

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

MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

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

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

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

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

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

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

The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. (Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates)

The MSCI All Country World Index (ACWI) is a global equity index that measures the equity performance in both the developed and emerging markets

Price-Earnings (P/E) ratio is a valuation ratio of a company's current share price compared to its per-share earnings. Forward earnings differ from trailing earnings, which is the figure quoted more often, as they are a projection and not a fact.

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

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

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

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

'Big 5 Capex' refers to the capital expenditures of the following companies: Alphabet, Amazon, Meta, Microsoft, Oracle.

EBITDA stands for earnings before interest, taxes, depreciation and amortization.

Net debt-to-EBITDA shows in years how long it would take a company to pay back its debt, if the earnings were used for debt repayment only.

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

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

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

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

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

'Global Investment Grade Credit' refers to the Bloomberg Global Aggregate – Corporate Index, which is a flagship measure of global investment grade, fixed-rate corporate debt. This multi-currency benchmark includes bonds from developed and emerging markets issuers within the industrial, utility, and financial sectors.

The Bloomberg Commodity Indexes are composed of exchange-traded commodity futures contracts. Futures contracts are never taken to delivery and are instead rolled forward per the index methodology.

One cannot invest directly in an index.

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