IWIRX/GINNX

Guinness Atkinson Global Innovators Fund
April 2026 Update

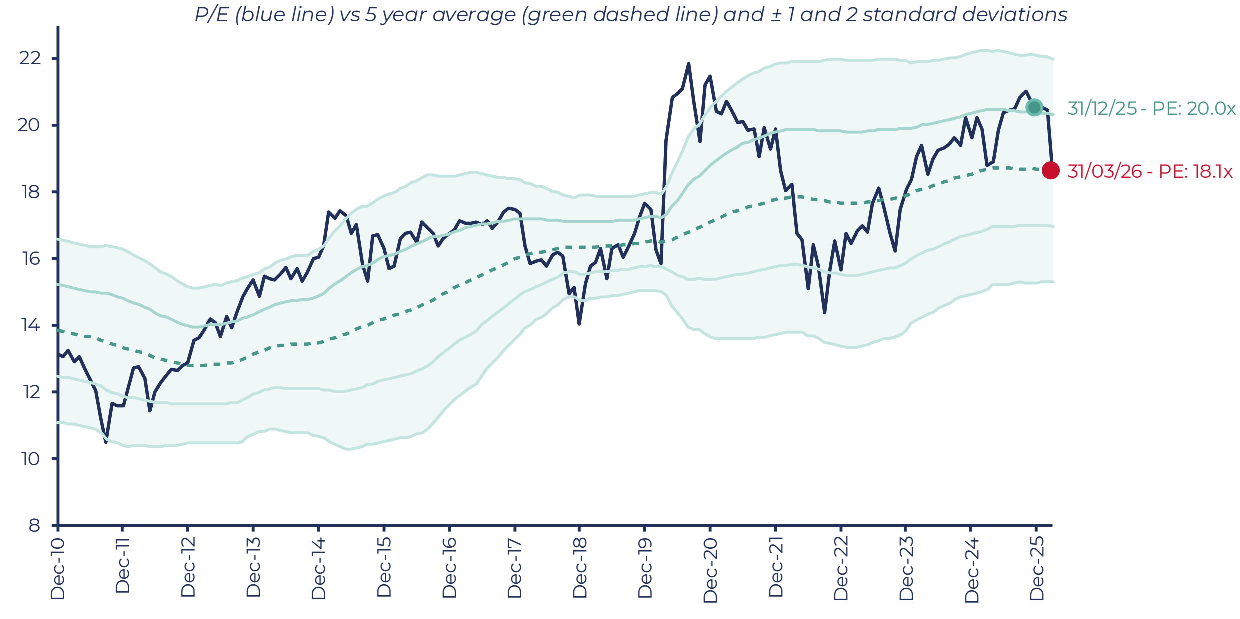
GUINNESS ATKINSON FUNDS

Quarter Review

In January and February, persistent geopolitical tensions, policy uncertainty, and a fundamental re-evaluation of software disintermediation risk from AI fuelled a high level of market volatility, but global equity markets still trended positively to reach all-time highs. Investors rotated away from growth, cyclicals and software names in particular, and into international markets, value, and 'physical economy' assets. In the final month of the quarter, conflict in the Middle East triggered a severe energy shock, reigniting inflation and growth fears, shifting prior market leadership and driving a broad-based rerating of the benchmark. Peak to trough (25th Feb – 30th March) the MSCI World experienced a total return of -8.8% (USD), and over the quarter valuation multiples compressed significantly, with the MSCI World's P/E (1 year forward) falling ~10% since the end of 2025 (18.1x vs 20.0x). It is worth noting, however, that the year began from an elevated starting point, with valuations more than one standard deviation above their five-year average (chart below, green dot). At the end of the quarter, valuations had largely normalized and are back in line with historical levels (red dot).

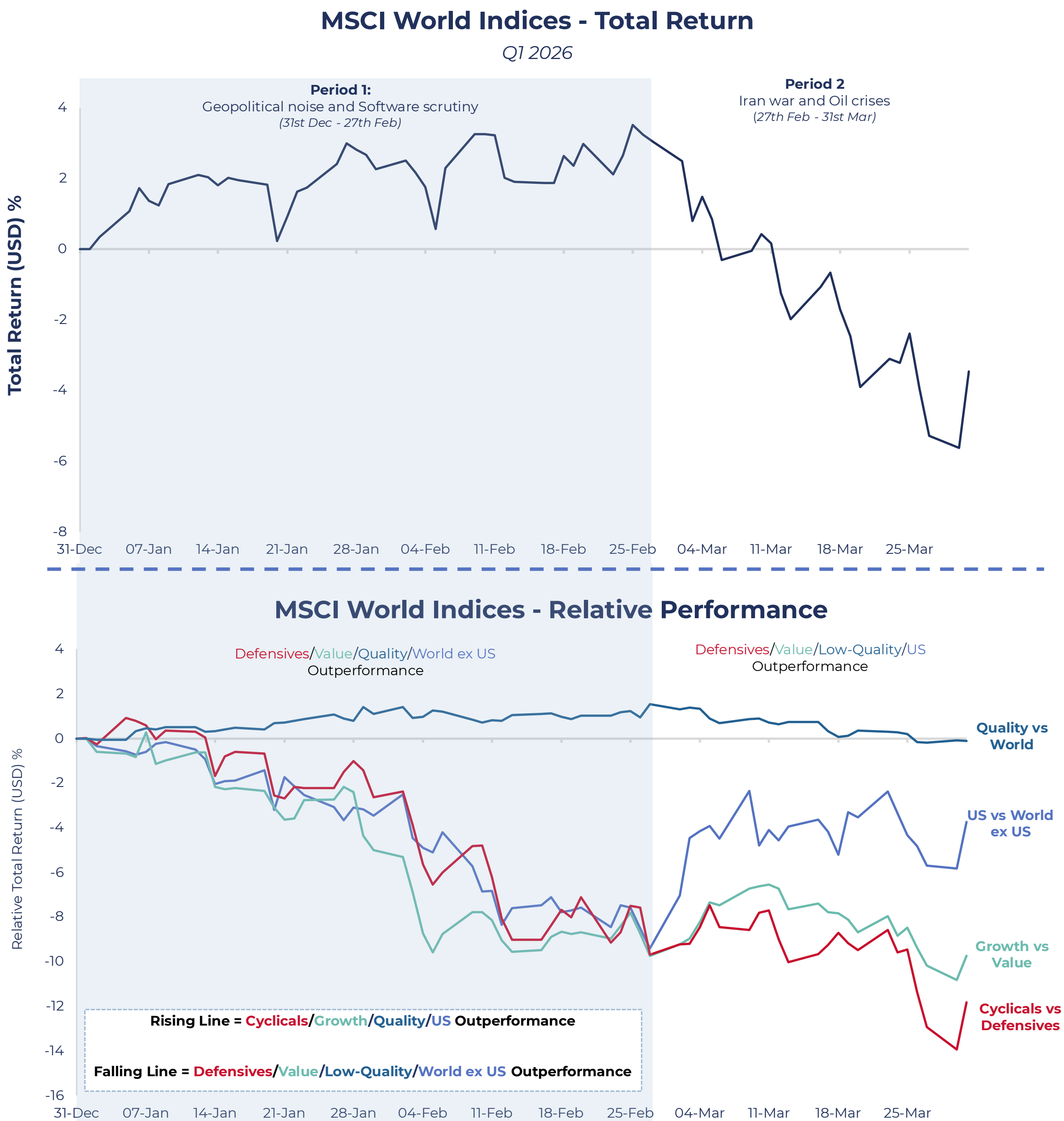
P/E Ratio (1 year fwd): MSCI World Index

P/E (blue line) vs 5 year average (green dashed line) and ± 1 and 2 standard deviations



Source: Bloomberg, Guinness Atkinson

The quarter is best understood in two distinct periods, marked by a clear inflection in market leadership, sentiment, and the dominant macro drivers shaping such market movements.



Source: Bloomberg, Guinness Atkinson

Period 1 - Geopolitical Noise & Software Dynamics (January – February)

Markets digested significant macro news flow over January and February, contending with regime uncertainty in Venezuela following the US capture of Nicolás Maduro, continued demands from Trump that the US "must have"

Greenland (and by force if necessary, putting strain on the NATO alliance), subsequent threats of tariffs on European countries who opposed these plans, US threats to Canada of 100% tariffs should they follow through on a trade deal with Beijing, and spiking Japanese yields on the prospect of fiscal stimulus and already elevated debt levels. Trade tensions were somewhat eased at Davos, but inevitably a high level of macro noise resulted in divergent regional, sector and factor performance over the period.

Despite these risks, global equities (MSCI World) climbed to all-time highs, led by international stocks (World ex-US). Although producing positive returns, the US underperformed as investors rotated away from US mega-caps (all Magnificent Seven stocks underperformed the broader MSCI World) and AI-exposed software names. The global software industry came under immense pressure during the period, falling -21% over the first two months of the year, reflecting a structural reassessment of software business models in the age of AI. Core investor concerns surrounded the risk of enterprises building AI tools in-house ("DIY risk"), intensifying competition from AI-native startups, existential headwinds to seat-based pricing as AI agents replace human users, and fundamental shifts in software architecture that could render legacy platforms obsolete. The market instead rotated towards "HALO" stocks – Heavy Assets, Low Obsolescence – or “physical economy stocks”, prioritizing companies perceived to possess a level of natural immunity to AI-driven technological disruption.

While stocks reached all-time highs, this was anything but a broad-based rally. Instead, the period was defined by a sharp and deliberate rotation away from US growth, mega-caps and software and into more defensive areas of the market alongside value and international equities – and more AI-immune HALO stocks in particular.

Period 2 - The Iran War & Energy Crisis (March)

Market sentiment and leadership shifted swiftly at the end of February, when US–Israeli strikes on Iran triggered a rapid escalation into a full-scale regional conflict in the Middle East, including counter strikes in Saudi Arabia, UAE, and Qatar. As the conflict broadened, an effective closure of the Strait of Hormuz – through which approximately one fifth of global oil and Liquefied Natural Gas LNG flows – resulted in upheaval in energy and freight markets globally. Brent crude oil surged from $72-per-barrel to $118 by month-end, freight costs (WCI Composite Container Freight Benchmark) jumped 20% quarter-on-quarter as carriers diverted from the Middle East, and Qatar's LNG production halt sent European gas prices up nearly 50%.

Markets have been weighing the long-term implications of a long, drawn-out conflict. In particular, the energy shock increased the risk of a stagflationary environment – the combination of rising inflation and slowing growth. Rising energy costs, a ubiquitous input cost, has heavily dented confidence in the outlook for inflation, which is already at elevated levels relative to central bank targets. Growth expectations have also come under pressure, given weak numbers in the US jobs market, falling business output expectations and weakening consumer confidence. With stagflation at the top of mind, this has had a material effect on global central banks’ scope for further monetary easing. Pre-war, market implied rates indicated ~2 rate cuts in the US being priced in – this fell to near zero by month end. In Europe, the contrast was even more stark, with a ~50% probability of one rate cut priced for 2026 pre-war, compared to 3 rate *hikes* priced in by month end.

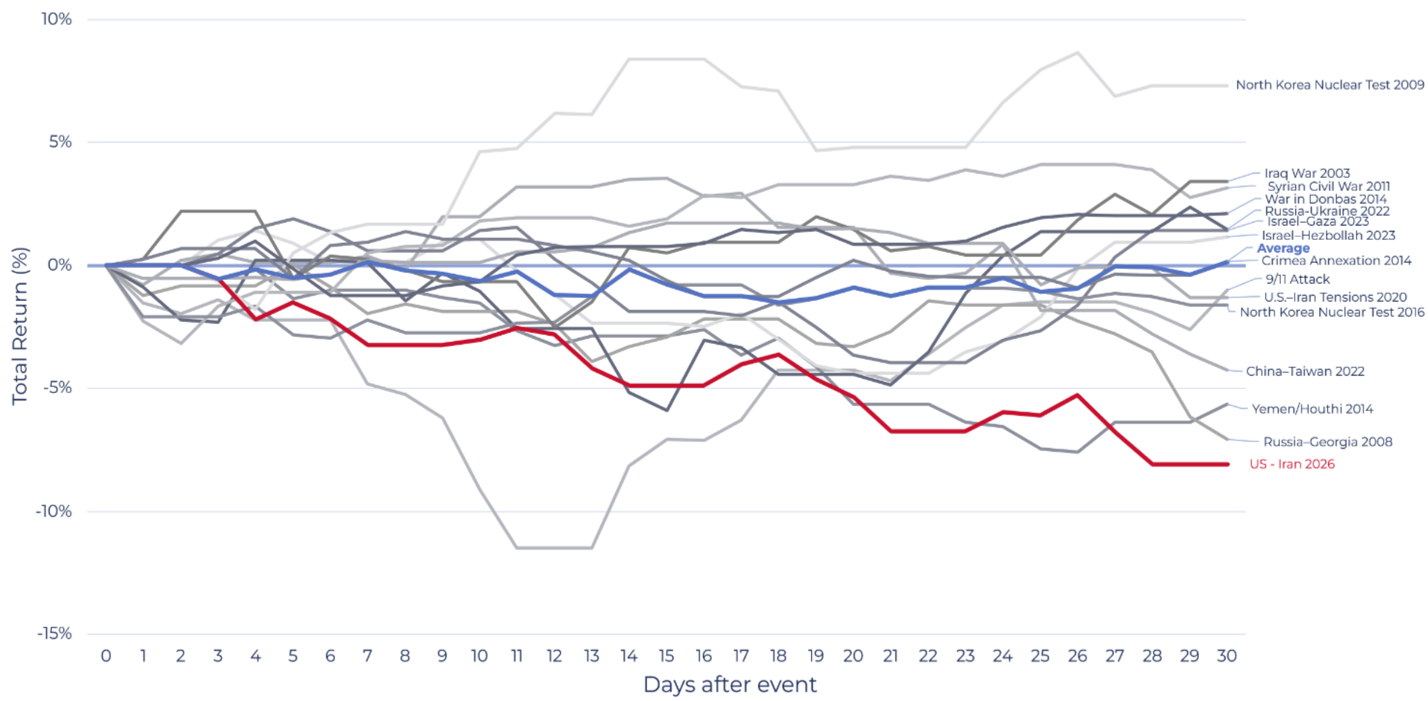
With bond yields rising sharply consequently, and gold failing to provide its typical ‘safe-haven’ status over the period, investors have had few places to hide. Bank of America's recent fund manager survey showed that, during March, investors piled into cash at the fastest rate since the Covid-19 pandemic. Defensives continued to outperform cyclicals given the risk-off environment, rising rate expectations contributed to growth underperformance relative to value – but US stocks began to outperform again, with many net-importers of energy (particularly in Asia) selling-off harder than the rest of the world.

The US-Iran Conflict

The conflict that first emerged as a geopolitical tail risk in February crystallised into the defining macro event of the quarter. On Saturday, February 28th 2026, the US and Israel launched a joint surprise airstrike on multiple sites across Iran, killing Supreme Leader Ali Khamenei and several other senior officials. Iran responded with retaliatory missile and drone strikes against US bases and Gulf states hosting American forces. What markets had been nervously pricing as a low-probability scenario had arrived.

Across the major geopolitical conflicts this century, the MSCI World's average 30-day total return following the start of the event has hovered close to zero, with most conflicts resolved into modest recoveries within a month. The US-Iran 2026 episode is a clear outlier: tracking below every comparable conflict in the dataset through the first 30 days, as depicted by the chart below. What distinguishes this conflict from most of its predecessors is the direct disruption to global energy supply. Brent crude rose nearly 50% during March alone, the largest monthly gain since May 2020, with intraday spot prices briefly touching $120 per barrel before settling at $118 at month end (although has shifted significantly in the first week of April).

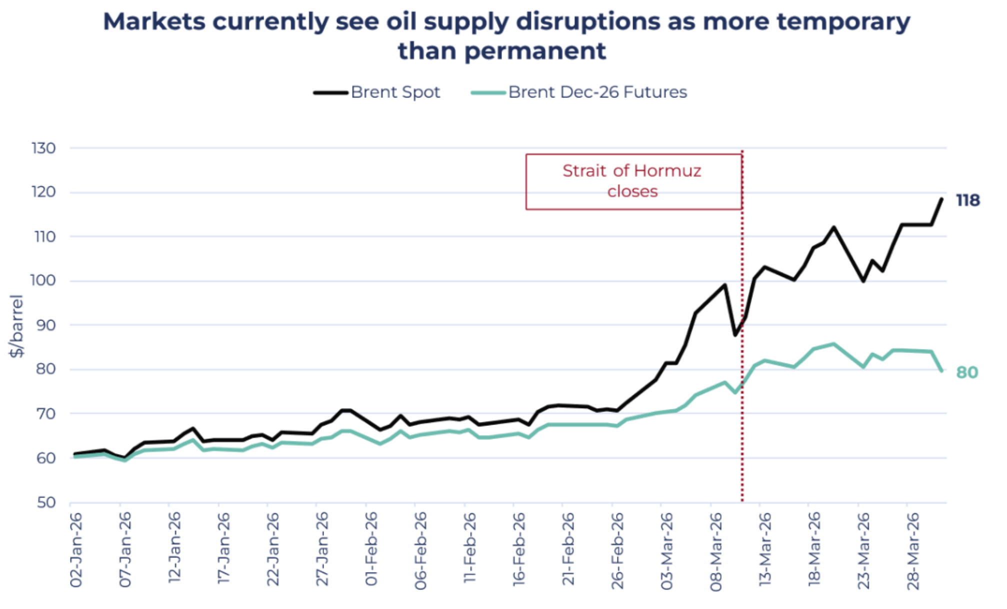
MSCI World 30 day Total Return Post Major Global Conflict Events, Century to date



Source: Bloomberg, Guinness Atkinson

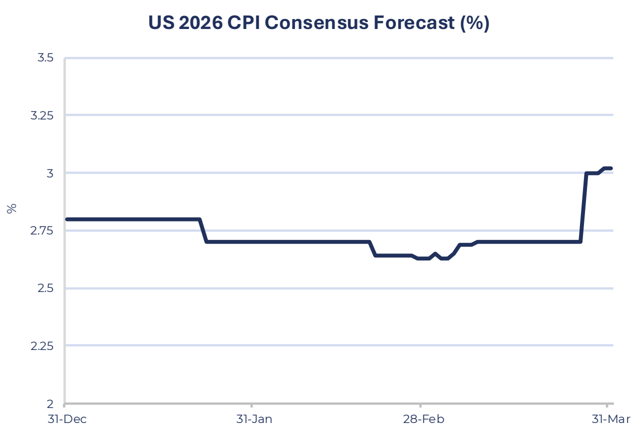
The chart below shows the spot and December-26 futures prices for Brent since the start of the year. Interestingly, since the start of the Middle East conflict, Brent Spot prices have risen 63%, while Brent Dec-26 futures have increased by 16%.

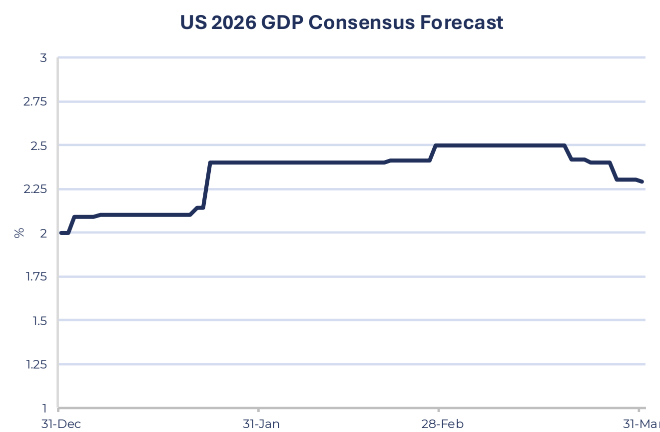
The gap between the two suggests markets view the current disruption as largely temporary, while still pricing in some degree of lasting structural damage to supply.



Source: Bloomberg, Guinness Atkinson

Persistently elevated oil prices can weigh on global economies through several channels. The most direct is inflation: energy is a foundational input cost for businesses and households alike, and a sustained rise in oil prices feeds through into broader price pressures across economies. Central banks facing this dynamic are caught in a difficult position. Raising rates to contain inflation can risk choking off growth, whereas a looser approach on interest rates can lead to price pressures becoming entrenched in the economy.

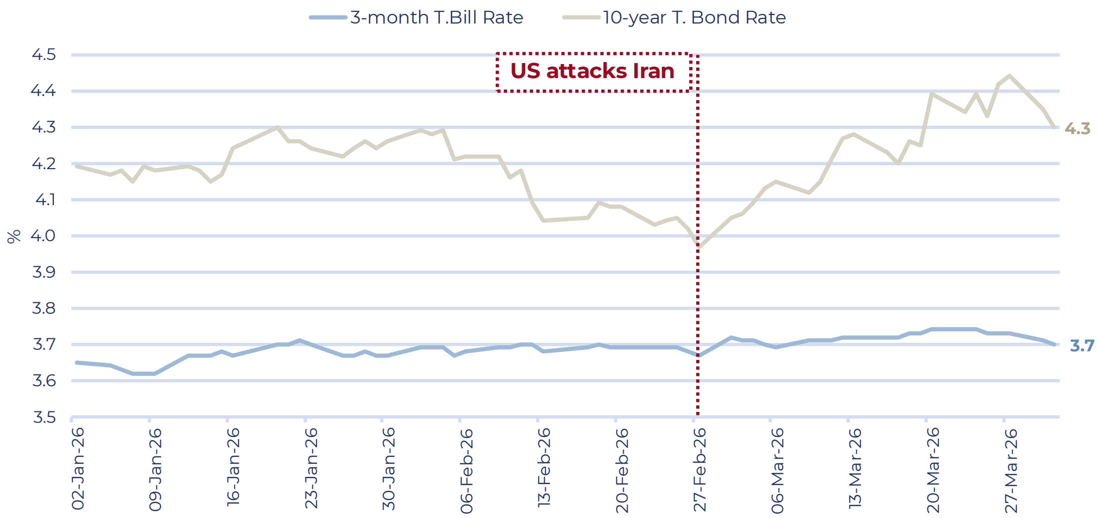




Source: Bloomberg, Guinness Atkinson

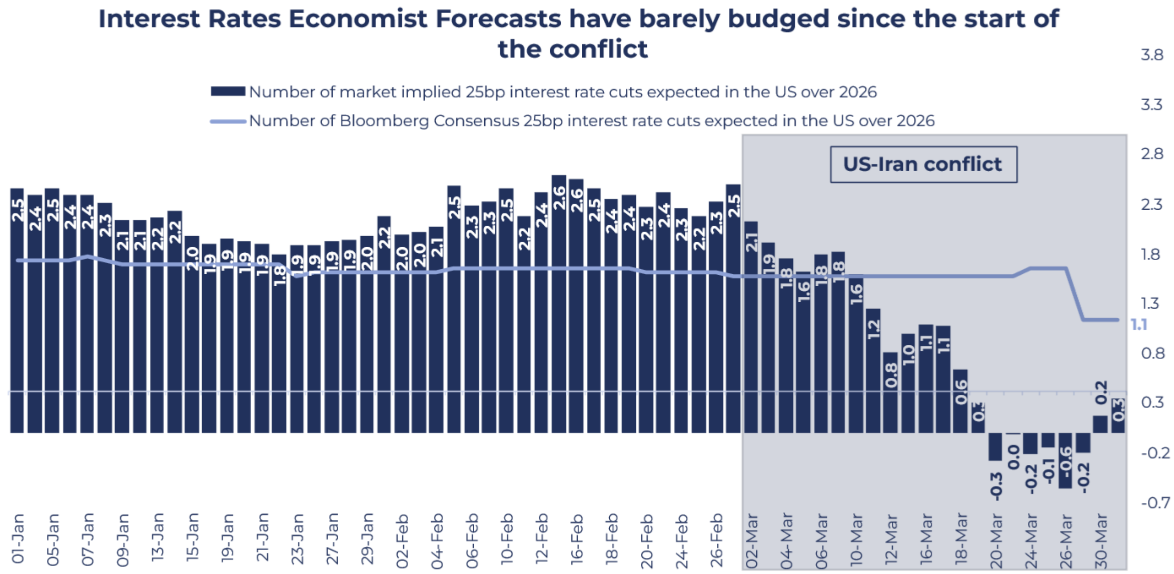
Ahead of the official inflation prints, US government bond markets offer a real-time window into where inflation expectations are heading. As depicted in the chart below, the 3-month treasury bill rate has remained relatively stable since the start of the conflict (from 3.67% on February 27 to 3.70% on March 31), whereas the 10-year bond rate has jumped significantly, reaching 4.30% by month-end. Out of the two drivers of interest rates, expected inflation and expected real growth, it is likely that the market is pricing in a persistent increase in inflation. One could also argue that the Fed will be forced to raise rates, but according to the stable 3-month treasury bill rate, this doesn't seem to be what markets are currently expecting. With 10-year Yen and Euro rates also up through the month, it appears that higher inflation expectations are shared across currencies and countries.

The 10-year US Treasury Bond Rate has climbed up since the start of the conflict



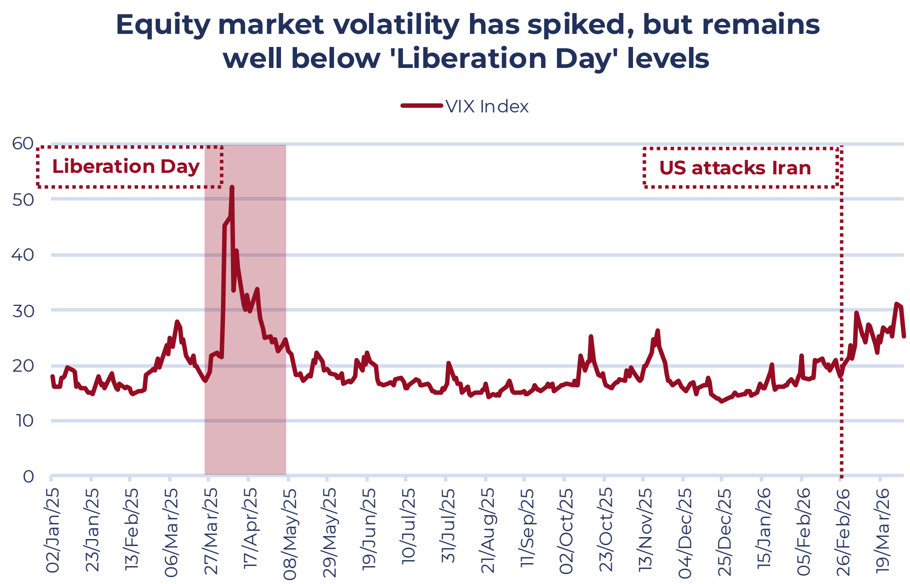
Source: Bloomberg, Guinness Atkinson

Looking at forward markets, we can see that sentiment towards US monetary policy has notably changed since the beginning of the conflict. Before the outbreak of the Middle East conflict, the implied rate from forward markets were pricing in 2.5 interest rates cuts through 2026, whereas this number had dropped to 0.3 cuts by the end of March, as evidenced by the chart below (navy blue bars). In stark contrast to this, Economist forecasts were still expecting just one interest rate cut during 2026 (light blue line) by end of March.



Source: Bloomberg, Guinness Atkinson

This uncertainty around future oil prices, interest rates, and growth rates has manifested itself through elevated volatility in equity markets. The chart below shows the performance of the VIX Index, which measures the market's expectations for 30-day forward-looking volatility for the S&P500 Index, since the start of 2025 until the 31st of March 2026. The VIX Index clearly spiked following the US attack in Iran, yet volatility levels remained well below Liberation Day levels in early April 2025.



Source: Bloomberg, Guinness Atkinson

Despite the sharp drawdown in equities following the escalation of the Iran War, markets continue to signal resilience in underlying earnings expectations. As shown in the chart below, while the S&P 500 1-year forward P/E has pulled back notably, S&P 500 consensus EPS growth has remained broadly stable and even trended higher. This marks a clear departure from prior drawdowns, such as COVID-19, last year's Liberation Day tariff shock, and the Federal Reserve tightening cycle, where equity market weakness was accompanied by a deterioration in earnings expectations. Instead, consensus expectations suggest the market is anticipating a solid upcoming earnings season even with the geopolitical shock. That said, we remain watchful for upcoming earnings as companies begin to face rising input costs, supply chain disruptions, and other second-order effects stemming from the conflict.

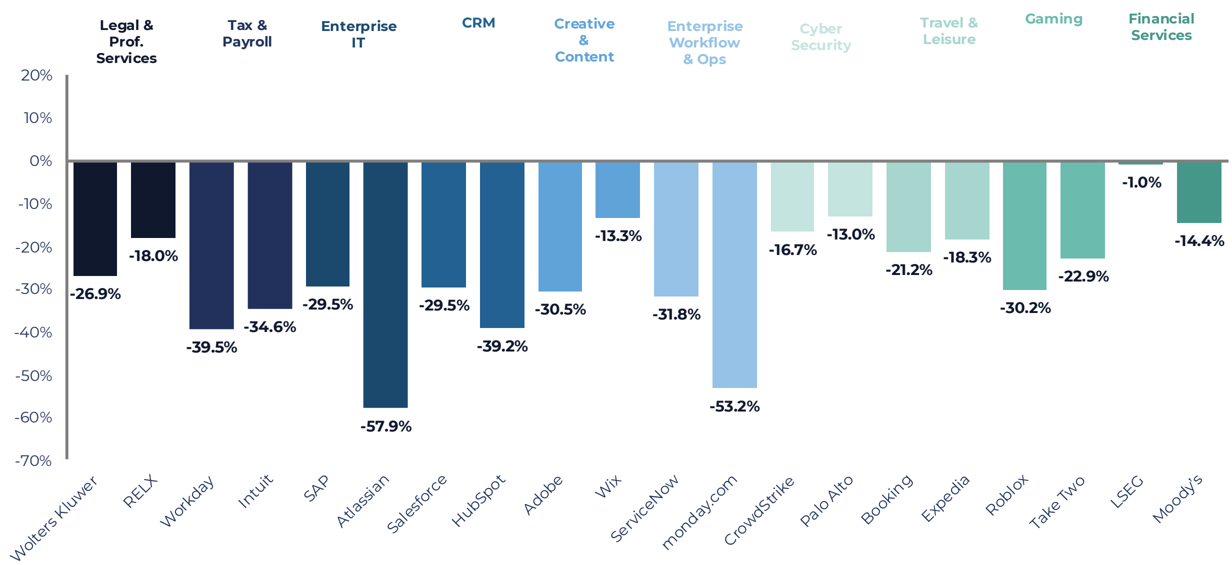
EPS expectations rising despite Iran War drawdown

Source: Bloomberg, Guinness Atkinson

The 'SaaS-pocalypse'

Over Q1, a sequence of high-profile AI product launches including Anthropic's Claude Cowork – capable of generating spreadsheets from screenshots, drafting reports from raw notes, and automating legal workflows – have prompted a serious reversal in sentiment over Software companies, with many now asserting that these software as a service (SaaS) firms are effectively 'dead.' This shift was not driven by deteriorating near-term fundamentals – in fact, fundamentals remain largely intact - but rather reflects the market's attempt to reprice structural uncertainties and the more credible threat that AI now poses to the software industry. As these technologies evolve, they may alter how software is developed, delivered, and consumed, introducing new competitive pressures and lowering barriers to entry. Tools such as Claude Cowork exemplify this transition, enabling individuals to design and implement workflows with far greater ease, which in turn could diminish the traditional reliance on externally provided software solutions. In reassessing this risk, markets have been notably unforgiving, with software and adjacent AI-exposed sectors experiencing widespread drawdowns, some exceeding 50%, and the broader Software index declining by more than 20% since the start of the year.

Sectors Exposed to AI Disruption
Q1 2026 Performance



Source: Guiness Atkinson, Bloomberg

Is SaaS really dead?

At the core of the sell-off is a growing concern that the traditional SaaS model, built on seat-based pricing, workflow-specific applications, and high switching costs may be structurally challenged by the emergence of more capable, agentic AI systems. The rise of “vibe-coding”, through which users create applications via natural language, have triggered fears that barriers to software creation are weakening, potentially commoditizing elements of the SaaS stack. Further, product releases, particularly from firms like Anthropic, have highlighted the ability to create autonomous agents capable of completing end-to-end tasks, rather than incremental productivity tools. If AI can generate reports, build spreadsheets, or execute workflows directly from unstructured inputs, the need for dedicated software interfaces may diminish. These concerns are increasingly reflected in market pricing, with implied terminal growth rates compressing sharply across many software companies, including the enterprise workflow company Monday.com with markets now pricing an implied terminal growth rate of less than -40% for the company.

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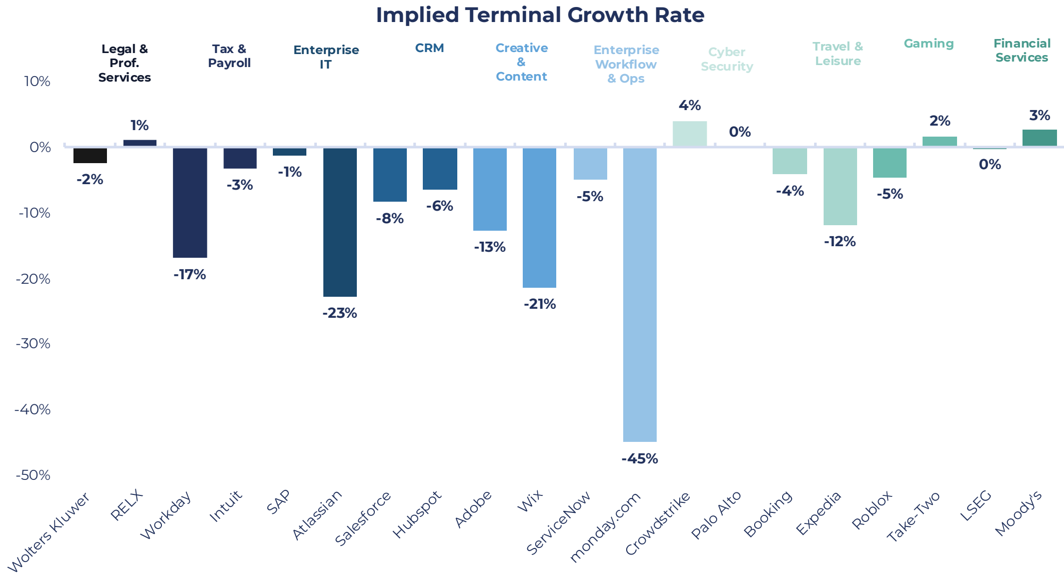
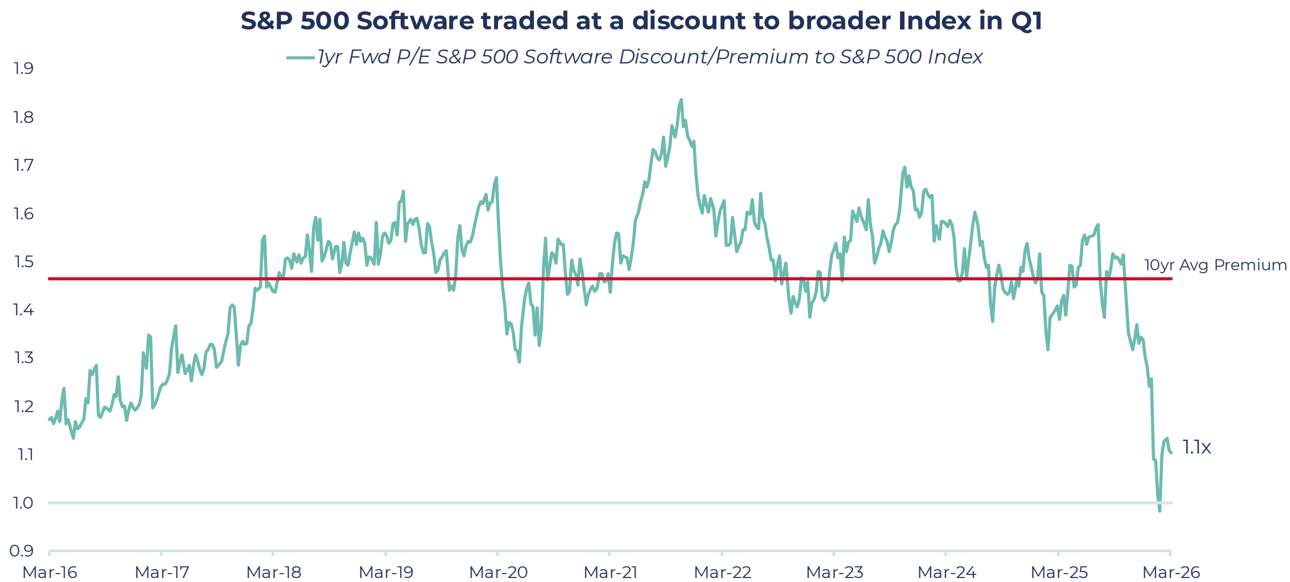


Source: Guiness Atkinson, Bloomberg

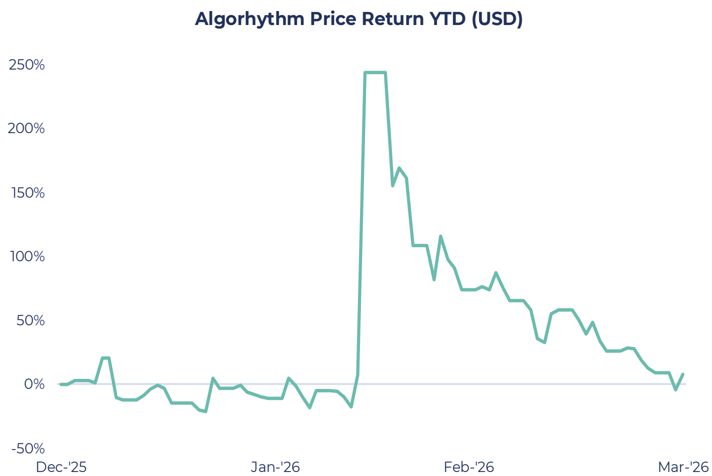
Not only are investors questioning growth rates, but also the durability of pricing power and the longevity of product cycles. Taken together this has led to a material compression in valuation multiples, with the premium of software relative to the broader market falling well below historical averages. As shown in the chart below, the S&P 500 Software briefly traded at a discount to the broader S&P 500 in Q1, marking the first such occurrence in more than a decade and a sharp deviation from its long-term average premium. Historically, software has commanded a premium due to its superior growth profile, recurring revenue models, and strong pricing power, all of which supported greater visibility and durability of cash flows relative to the broader market.

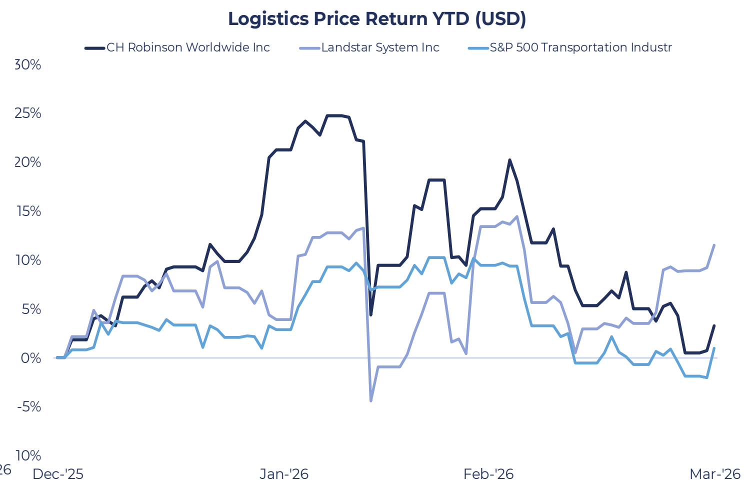


Source: Guiness Atkinson, Bloomberg

Fickle markets

While the threat of AI-driven disruption is clearly possible, markets have at times appeared overly reactive in attempting to price the real-world impact. In February, a little-known karaoke machine company turned AI start-up, Algorythm, issued a press release claiming its software could eliminate 30% of trucking journeys lost to empty runs. This triggered a sharp sell-off across logistics and freight stocks, with approximately $17.4bn erased from the market capitalisations of including CH Robinson, Landstar, and JB Hunt.



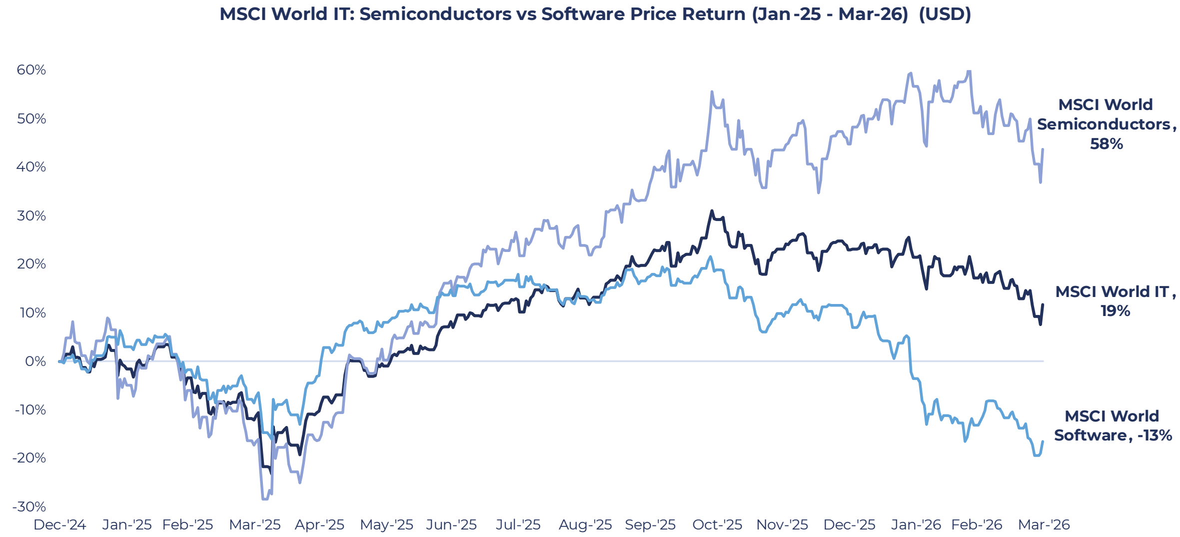


Source: Guiness Atkinson, Bloomberg

Following this, Algorythm's CEO admitted the calculation was intended to be illustrative, and the notion that these global logistics companies would hand over commercially sensitive data to enable this was highly improbable. However, markets were reacting as if this were the case. The same pattern repeated when Altruist, a private fintech, announced an AI tax planning tool. Wealth management stocks including companies like Charles Schwab dropped materially. These are only two examples of increasingly common market reactions to AI news flow.

Technology bifurcation:

A defining feature of this quarter has been the stark underperformance of software relative to other parts of the technology sector, notably semiconductors. Since late 2025, the MSCI World Software Index has lagged both the broader IT and semiconductor indexes significantly, with the bifurcation widening further into Q1 this year.



Source: Guiness Atkinson, Bloomberg

Markets, particularly in the first two months of the quarter, were rewarding companies tied to the 'picks and shovels of AI' where demand visibility is stronger than downstream software names. The semiconductor industry has so far been one of the major beneficiaries of the data center buildout as Hyperscalers continue allocating increasing amounts of capital towards cutting edge chips. Interestingly, memory has been a particular bright spot, with Micron, SK Hynix and recently-listed Sandisk seeing meaningful share price appreciation as demand for high bandwidth memory, which is essential for AI training and inference workloads, continues to outpace supply. By contrast, software is increasingly viewed as a potential source of disruption rather than a beneficiary. This divergence has created an unusual dispersion, where investors are simultaneously bullish on AI as a theme while bearish on large swathes of the software layer that historically captured a significant share of technology profits.

How are we thinking about all of this?

The extent to which AI poses a structural threat to software remains an open question, but it is clearly shaping current market weakness. On the one hand, there is a genuine bear case. AI, particularly in an agentic form, raises the prospect of software becoming increasingly commoditized or even displaced. Agentic AI introduces a new computing layer that can sit between users and applications, executing tasks autonomously without requiring direct interaction with traditional software. In such a scenario, automation could structurally reduce the number of end users, and seat-based monetization becomes structurally challenged as fewer human users are needed per unit of work, and software risks being abstracted away into commoditized back-end functionality.

On the other hand, there are important constraints that temper this narrative. AI systems remain probabilistic and lack the determinism, auditability, and regulatory compliance required for many mission-critical workflows. In many industries such as payroll software where accuracy and accountability are key, traditional software retains a clear advantage. Moreover, incumbent platforms benefit from deep integration, proprietary data, and embedded network effects, all of which are difficult to replicate. Further, many software companies have been quick to defend their products, with many seeing advancements in AI as a source of opportunity rather than threat.

What are companies saying?

SAP: "AI raises the bar for secure updates, telemetry-driven improvement, and shared controls – all strengths of mature SaaS. AI agents don't replace enterprise software. They rely on it."

- *CEO Christian Klein*

Intuit: "Companies like Anthropic look to the partnership with us because at the end of the day, they see and understand that this is a business that comes with a lot of liability and [large language models] LLMs can't just create the platform that we've created overnight."

- *CEO Sasan Goodarzi*

Service Now: "You need AI plus workflows because AI is probabilistic, which by definition means we can't be certain about the results. ... AI doesn't replace enterprise orchestration. It depends on it. It depends on governance; it depends on scale."

- *CEO William McDermott*

LSEG: "AI is a tailwind here, too, as more data consumption drives more insights, leading to more trading volumes and ever-growing demand for risk management. So, our positioning is strong, and our strategy is working."

- *CEO David Schwimmer*

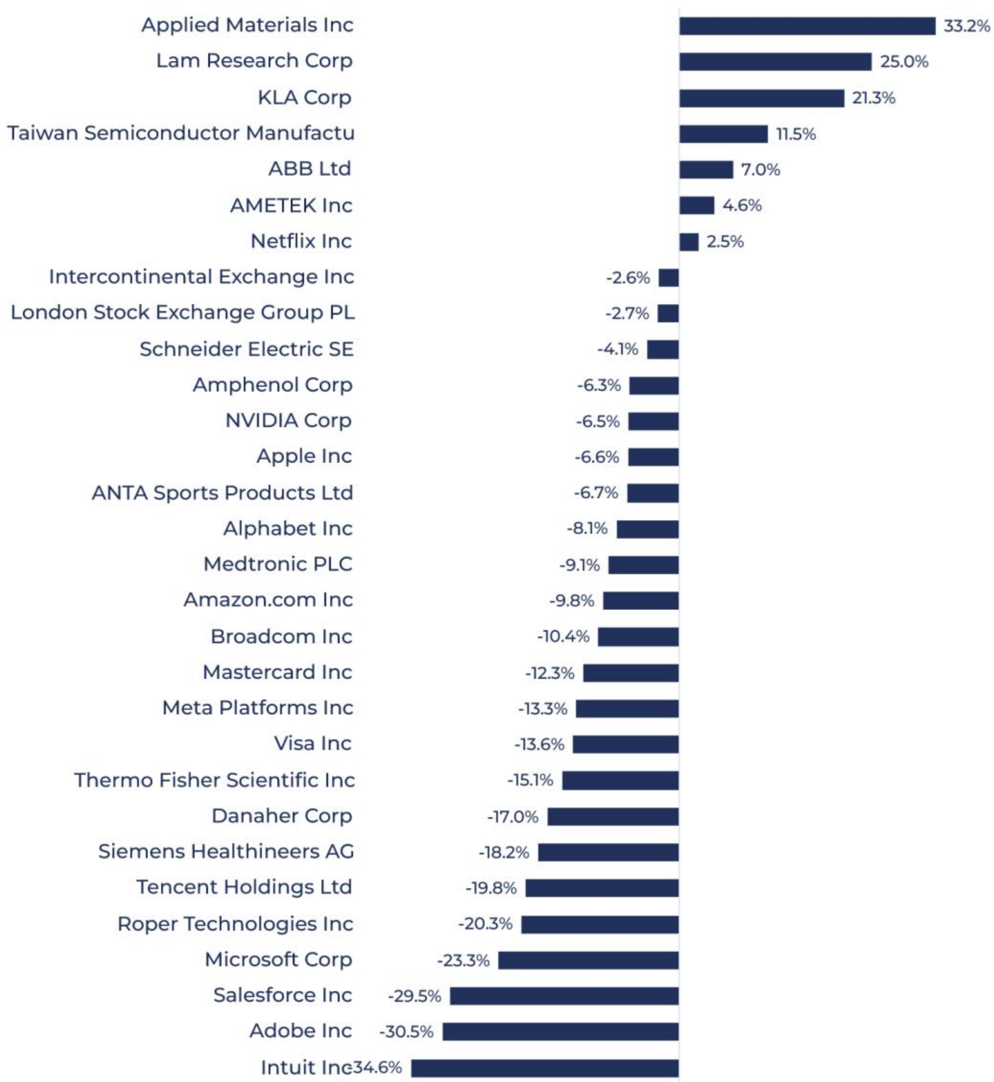
Salesforce: "And if there is a SaaSpocalypse, I think it might be being eaten by the SaaSquatch because there are a lot of companies using a lot of SaaS because SaaS just got a lot better with Agents as a Service. "

- *CEO Marc Benioff*

As we continue to assess the risk, in our view, it is clear that AI is unlikely to uniformly destroy software, but rather to redistribute value across the technology stack. While standalone applications may face margin pressure, platforms that successfully embed AI capabilities could further entrench their competitive position. Though incumbent software vendors still benefit from durable moat drivers, such as customer-specific workflow knowledge, proprietary data, and high switching costs, it remains unclear how both consumers and enterprises will ultimately integrate AI into their daily operations, and whether these technologies will alter existing software models or meaningfully displace them over time. At the same time, the pace of change across the ecosystem is accelerating rapidly, driven by continuous improvements in large language models alongside the emergence of new, more powerful semiconductor architectures and we are actively monitoring these developments.

Stock performances over Q1 2026 (all total return in USD):

The chart below shows the portfolio constituents' returns over Q1 2026 in USD.



Source: Guinness Atkinson Asset Management, Bloomberg, as of March 31st 2026

Applied Materials (+33.2% in USD)

Applied Materials was the Fund's top performer in over the quarter, following an excellent quarterly earnings print. Results and forward commentary pointed to a clear inflection in growth beginning in the second half of FY 2026, highlighting the firm's significant exposure and leading role in the global AI infrastructure build-out. Applied Materials is the broadest player in front-end, process control and advanced packaging manufacturing and remains well positioned to capture share as chipmakers invest in the full range of semiconductor manufacturing processes. Although headline revenue declined 2.1% year-on-year due to difficult comparators as a result of China normalization and lumpy TSMC orders, this was comfortably ahead of expectations and at the top end of management guidance. Adjusted earnings per share were flat year-on-year but also beat consensus, supported by stronger-than-expected revenue and solid margin execution. Importantly, underlying demand trends were notably stronger than the headline numbers suggest. Management's commentary highlighted that AI was approaching a "tipping point" where the race for higher performance and energy efficiency is funnelling unprecedented investment into leading-edge logic, high-bandwidth memory, and advanced packaging – all areas where Applied Materials maintains a process equipment leadership position. Despite management indicating that the first half will remain relatively soft, a meaningful inflection is expected in the second half, with equipment sales projected to grow more than 20% in 2026. This implies the potential for second-half systems revenue growth of roughly 30–40% year-on-year, bringing Applied Materials' growth outlook broadly in line with peers such as KLA and Lam Research, which are also held within the Fund. Management's decidedly upbeat tone was underpinned by a sharp acceleration in customer orders, particularly in leading-edge foundry/logic and DRAM (Dynamic random-access memory), but even more encouraging was the outlook. Capacity is effectively sold out for 2026, providing unusually strong visibility for a business with historically short lead times. To prepare for this demand, the company has nearly doubled its system manufacturing capacity over the past few years and proactively increased its inventory by nearly $500 million year-on-year to support 2026–2027.

Lam Research (+25.0%)

Lam Research also performed strongly in the quarter. Lam is a leading semiconductor equipment manufacturer providing wafer fabrication equipment (WFE). Through supplying the highly specialized tools needed to manufacture advanced chips, Lam sits at the heart of the semiconductor value chain. As demand for AI, high-performance computing, and data center infrastructure has accelerated, foundries and integrated device manufacturers have responded with record levels of capital expenditure, driving a strong upcycle in WFE spending. The AI-infrastructure buildout is particularly important, as Hyperscalers require both more chips and increasingly complex architectures. This materially increases equipment intensity across the manufacturing process which, in addition to further product wins, is expected to drive share gains for Lam. The depth and breadth of the current investment cycle into AI has expanded Lam's customer base and widened their addressable opportunity. The strength of their competitive positioning was evidenced by the latest quarterly report from Lam, where results and guidance came in materially ahead of expectations. DRAM and AI-related demand rose sharply, services growth surprised to the upside, and China revenues were more resilient than feared. Despite some near-term margin pressure, the outlook is positive with management pointing to sustained growth into next year due to the WFE upcycle being constrained by supply - rather than demand. Namely, the supply-demand imbalance in high-bandwidth memory is causing increased uptake for their tools like SABRE and Syndion. While valuations of WFE stocks have become more demanding following strong performance, the combination of structural AI demand, rising equipment intensity, and highly recurring service revenues supports our view of Lam as a high-quality beneficiary of the next tailwind to semiconductor growth.

Adobe (-30.5% in USD)

Adobe, the flagship creative software provider, also saw soft performance over the quarter. Market sentiment has meaningfully shifted as generative AI has given way to concerns about monetization and competitive intensity. These center on the proliferation of AI-native design tools that lower the barriers to content creation particularly amongst more casual users. However, this view may underappreciate where Adobe's value truly lies. For professional and enterprise users, the appeal is not simply image generation, but commercially safe, rights-cleared content integrated into a broader Adobe flywheel of creation, editing, distribution and analytics. The latest set of results presented a complex picture: headline numbers beat expectations with total revenue growing 12% year-on-year, but there were some signs of cannibalisation in the standalone Stock business by generative AI. That being said, Adobe also demonstrated AI momentum, with annual recurring revenue in "AI-first" products tripling and exceeding $250m in Firefly - indicating that Adobe is successfully building a new monetization engine. Total AI-enhanced annual recurring revenue also represents a meaningful portion of the business, suggesting AI is being layered onto the platform instead of replacing it. Management chose to maintain, rather than raise, 2026 guidance and announced the retirement of their long-time CEO, Shantanu Narayen. This has exacerbated investor uncertainty, but Adobe continues to exhibit high quality fundamentals; the company has profit margins approaching 30%, a subscription-based model embedded into mission-critical processes, and a deep distribution network supported by strong brand equity. However, in a rapidly changing environment we continue to monitor the stock for any deterioration in growth or quality credentials that may point to negative impact from AI, and note the potential divergence that could occur between medium-term and long-term outlooks for this business.

Intuit (-34.6%)

Intuit the leading provider of financial and tax software for small and medium-sized businesses, ended the quarter as the Fund's weakest performer, reflecting market skepticism regarding the pace of its AI monetization and broader fears of generative AI disrupting its core tax and accounting businesses. While there are certainly elements of the business that are exposed to AI disruption, in our view the risks may be overstated. In tax, the value of software lies not in automation or the completion of filings (already a commoditized function), but in brand trust, regulatory accuracy, and deep integration across the consumer finance ecosystem, connecting payroll providers, banks, brokers, and tax authorities. Intuit's scale and decades of consumer brand investment underpin confidence that filings are done correctly, enable faster refunds through integrated lending capabilities, and provide access to human support when issues arise. These are advantages that general-purpose AI tools cannot easily replicate. Intuit's exposure to smaller businesses and its growing presence in the middle market further insulate the business, as customers of this size are likely to lack the resources or appetite to build and maintain in-house financial software. Finally, Intuit is proactively integrating AI into its offerings, as evidenced by AI-assisted features in TurboTax, which gives us reassurance about the company's value proposition.

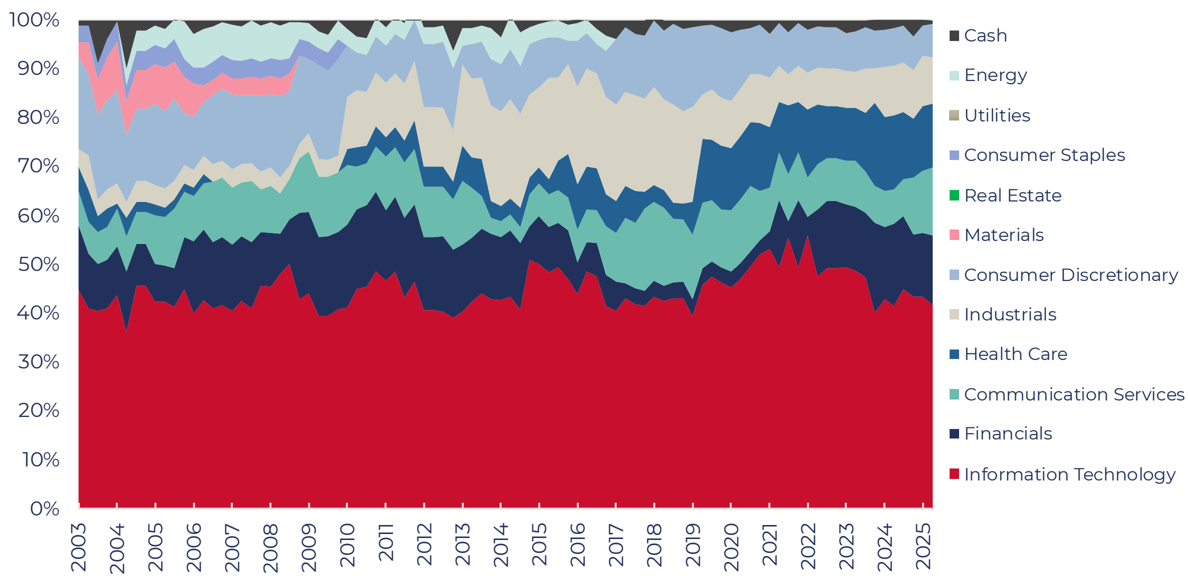
The firm's quarterly results provided some welcome respite, with Intuit delivering a strong set of numbers that were comfortably ahead of expectations and helped stabilize sentiment toward the end of the month. Revenue grew 17% year on-year, supported by broad-based momentum across the company's core ecosystem, including QuickBooks Online, TurboTax and Credit Karma. Encouragingly, the company continues to gain traction in the middle market, where larger customers are adopting more advanced versions of QuickBooks and the newer Intuit Enterprise Suite, expanding Intuit's addressable market beyond its traditional small-business base. Elsewhere, Credit Karma delivered particularly strong growth, benefiting from a healthier consumer credit environment and increased engagement across its platform. While the ongoing turnaround at Mailchimp remains a modest headwind and management maintained their full-year guidance (the market was hoping for a raise) due to the inherent volatility of tax season, the overall tone of the results was positive. Taken together, the update reinforced our view that Intuit's key growth drivers remain firmly in place, helping to reverse some of the negative momentum in the share price as investors refocused on the business's underlying strength. We continue to follow the stock closely, however, and note that the market remains cautious.

Changes to the portfolio:

We made no changes to the Portfolio over the quarter.

Portfolio characteristics

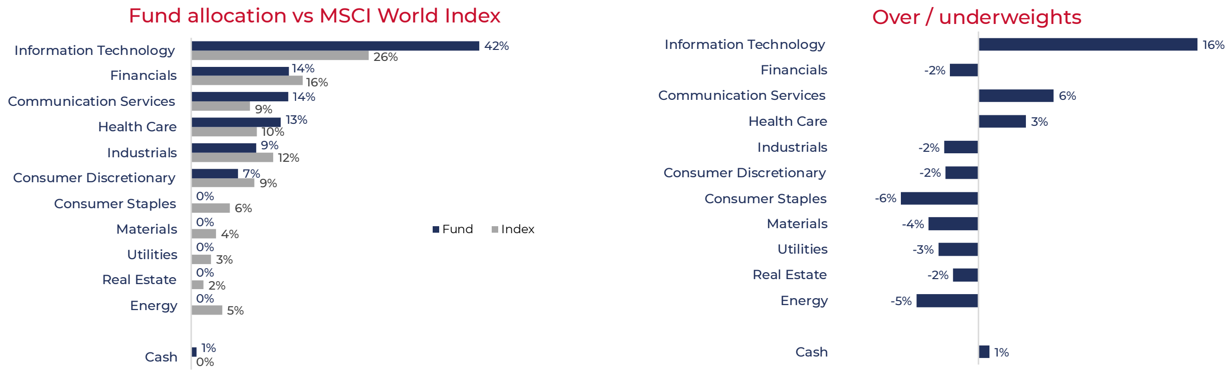
The two charts below show how the exposure of the fund has evolved since we launched the strategy back in 2003. We continue to hold no exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities. Information Technology remains our largest exposure, split between the three sub-sectors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



Portfolio sector breakdown. Guinness Atkinson, Bloomberg (March 31st 2026)

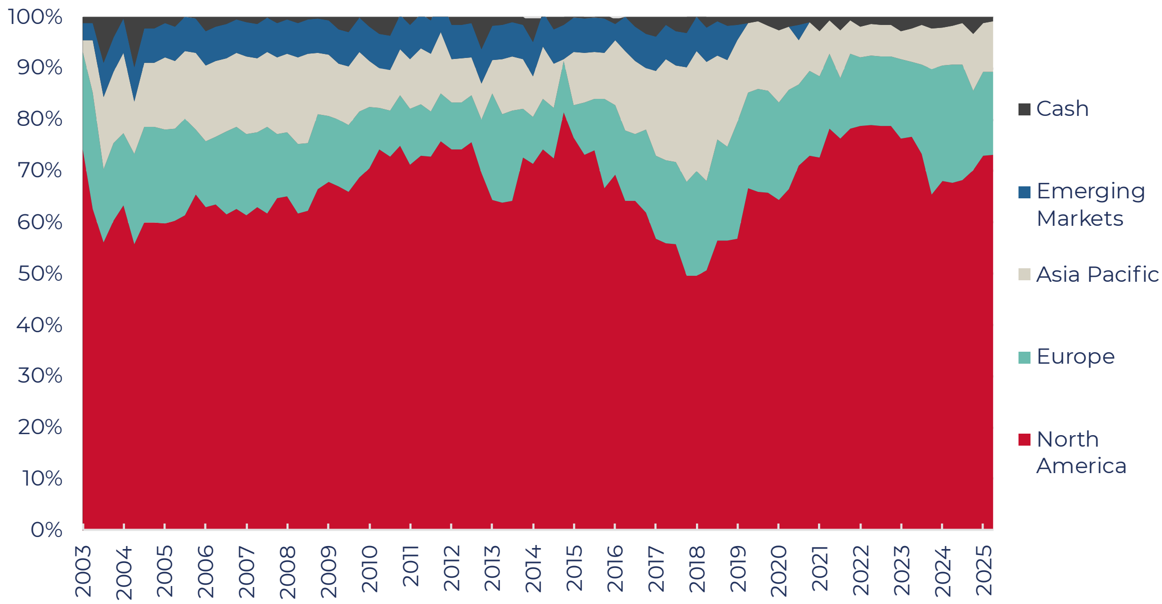
The fund continues to have a large overweight to IT (16%), while the fund's 0% exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities leaves these areas underweight relative to the benchmark.

Sector breakdown of the fund versus MSCI World Index



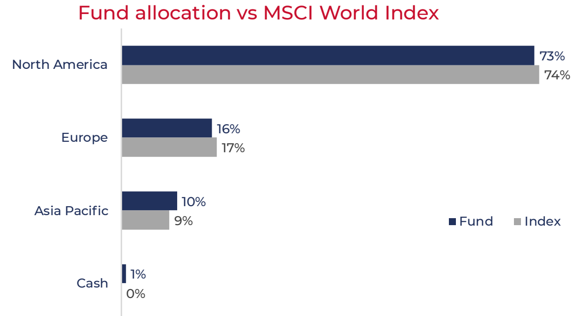
Guinness Atkinson, Bloomberg (data as at March 31st 2026)

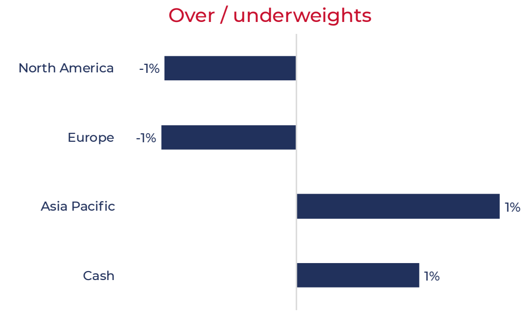
On a regional basis, North America continues to be the largest exposure (73%), followed by Europe (16%) and Asia Pacific (10%). Relative to the benchmark, the Fund has a small underweight position to North America and to Europe and a slight overweight position to Asia Pacific.



Portfolio geographic breakdown. Guinness Atkinson, Bloomberg (March 31st 2026)

Geographic breakdown versus MSCI World Index





Guinness Atkinson, Bloomberg (data as at March 31st 2026)

Outlook

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

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

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

The fund has many superior characteristics to the broad market; higher sales and earnings growth, superior return on capital, and greater balance sheet strength, with higher historic growth. The fund currently trades at a 9.6% premium to the MSCI World Index on a P/E (2026e) basis, with expected earnings growth (2026 vs 2025) of 17.8% vs the MSCI World of 13.8%. Compared to the MSCI World Growth index, the Fund trades at a 17.0% discount (P/E 2026e), but with a comparable level of expected earnings per share (EPS) growth.

Portfolio metrics versus MSCI World Index		Fund	MSCI World Index
Growth	Trailing 5-year sales growth (annualized)	14.6%	5.8%
	Estimated earnings growth (12M forward)	17.8%	13.8%
Quality	Median Return-on-Capital	24.5%	9.4%
	Median net debt / equity	15.8%	37.5%
Valuation	PE (2026e)	20.5x	18.7x
	PE (2027e)	17.8x	16.5x
Conviction	Number of stocks	30	1311
	Active share	79%	-

Source: Guinness Atkinson, Bloomberg, as of March 31st 2026

The current market environment has been shaped by heightened geopolitical tensions, including the ongoing conflict involving Iran, rising inflationary pressures and evolving monetary policy expectations. At the same time, weakness across parts of the software sector has tempered what had previously been very strong enthusiasm for AI-related beneficiaries. These dynamics have contributed to increased market volatility creating a more uncertain backdrop for global equities. Despite a complex macro-economic setting, stock fundamentals have shown resiliency, giving us reassurance in our bottom-up approach to stock-picking in the face of continued macroeconomic uncertainty. We are confident that the Fund's focus on high quality growth stocks, underpinned by structural innovation themes, stands us in good stead going forward. Our research process helps to identify these quality growth companies, while also maintaining a valuation discipline – which is particularly important in the context of a market where valuation is front of mind. In addition, our equally weighted positions limit over-reliance on any single company. We continue to focus on these key tenets in the Fund and remain confident of this process over the long term.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA & Dr Ian Mortimer, CFA

Summary performance

In the first quarter of 2026, the Fund returned -6.1% (in USD) and the MSCI World Index returned -3.6%. The Fund therefore underperformed the Index by 2.5% over the period.

The first quarter of 2026 was market by a sharp shift in market sentiment, as geopolitical tensions and energy market disruptions weighed on global markets. The escalation of the US-Iran conflict, drove a surge in oil prices and Brent Crude to $118 per barrel, its highest level since 2022. This prompted a reassessment of the global monetary policy outlook given concerns around inflation and uncertainties over the prolonging of the conflict. Against this backdrop, equities among other asset classes experienced broad-based corrections as investors struggled to seek areas of safety.

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.

Alongside the macro turbulence, the quarter saw a meaningful shift in how markets are pricing the long-term AI opportunity. The software sector, in particular, came under renewed scrutiny. In recent months, the release of models such as Claude Cowork have raised concerns over so-called 'vibe coding': the ability to create applications via natural language which raises the prospect of software becoming increasingly commoditised or even displaced. As a result, the sector has experienced notable weakness, with the S&P 500 Software index trading at a discount to the broader market, despite historically commanding a significant premium.

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

- Given the impact of the Iran War, the Fund's zero weight allocation to more defensive sectors such as Utilities (+9.1%) and Consumer Staples (+4.3%) acted as a headwind to performance.
- As did a zero weight to Energy (+37.3% USD), which rallied strongly as higher oil prices and the ongoing conflict drove strong gains in energy stocks.
- Although the Fund's overweight to the IT sector resulted in negative asset allocation, this was offset by strong stock selection effects in the sector, particularly from our Wafer Fabrication Equipment holdings. Applied Materials (+33.2%), LAM Research (+25.0%) and KLA (+21.3%) had a strong quarter driven by continued demand for their equipment as part of the AI buildout. This was compared to the MSCI World Semiconductor industry which returned -0.7% over the quarter.

Performance

As of 3/31/2026	1 Year	3 Years	5 Years	10 Years
IWIRX [1]	16.97%	17.56%	9.05%	13.97%
GINNX [2]	17.25%	17.86%	9.32%	14.25%
MSCI World Index NR	18.90%	16.75%	10.26%	11.79%

All returns after 1 year annualized.

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.

[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).

*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 the Global Innovators Fund, as of 3/31/2026:

1. Netflix Inc	4.08%
2. London Stock Exchange Group PL	3.69%
3. Roper Technologies Inc	3.62%
4. Amazon.com Inc	3.54%
5. Intercontinental Exchange Group	3.47%
6. Broadcom Inc	3.46%
7. Mastercard Inc	3.45%
8. Tencent Holdings Ltd	3.43%
9. KLA-Tencor Corp	3.43%
10. Salesforce, Inc.	3.42%

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.

Basis points (BPS) refers to a common unit of measure for interest rates and other percentages in finance. One basis point 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 **Consumer Price Index (CPI)** is an index of the variation in prices paid by typical consumers for retail goods and other items.

The **European Central Bank (ECB)** is the central bank of the 19 European Union countries which have adopted the euro.

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.

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.

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 World ex USA** Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries--excluding the United States.

MSCI World Software & Services Index consists of securities classified in the Software & Services industry group (within the Information Technology sector). It captures the large and mid cap segments across 23 Developed Markets (DM) countries.

MSCI World Semiconductors and Semiconductor Equipment Index consists of securities classified in the Semiconductors and Semiconductor Equipment Industry Group (within the IT sector). It includes large and mid-cap stocks across 23 Developed Markets (DM) countries.

MSCI World Information Technology Index is designed to capture the large and mid cap segments across 23 Developed Markets countries. Securities in the index are classified in the IT sector as per the Global Industry Classification Standard.

Drewry's **World Container Index** (WCI) is a composite index that provides a snapshot of container freight rates on eight major routes to/from the US, Europe, and Asia.

Brent Crude oil comes primarily from the North Sea oil fields and serves as the benchmark for European, African, and Middle Eastern markets (expanded in 2023 to include crude from the Permian Basin in Midland, Texas).

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

The **Nasdaq 100 Index** is a basket of the 100 largest, most actively traded U.S companies listed on the Nasdaq stock exchange.

The **price-to-earnings ratio (P/E ratio)** is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

S&P Global is the world's foremost provider of transparent and independent ratings, benchmarks, analytics, data, research and commentary

Capital Expenditure (CAPEX) Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. It is a float-weighted index, meaning the market capitalizations of the companies in the index are adjusted by the number of shares available for public trading.

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 Cboe Volatility Index® (VIX® Index) was created by Cboe Global Markets to measure the market's expectation of future volatility. The VIX Index is based on options of the S&P 500® Index, considered the leading indicator of the broad U.S. stock market.

Software as a service (**SaaS**) is a cloud computing service model in which a provider delivers application software to clients while managing the required physical and software resources.

Large language models, also known as **LLMs**, are very large deep learning models that are pre-trained on vast amounts of data. The underlying transformer is a set of neural networks that consist of an encoder and a decoder with self-attention capabilities.

Dynamic random-access memory (**dynamic RAM** or **DRAM**) is a type of random-access semiconductor memory that stores each bit of data in a memory cell.

Wafer fabrication equipment (WFE) is equipment that is used in the process of semiconductor fabrication to process raw semiconductor wafers into finished chips, such as integrated circuits.

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

Net-debt-to-equity evaluates net debt against shareholders' equity after subtracting cash reserves.

One cannot invest directly in an index.

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