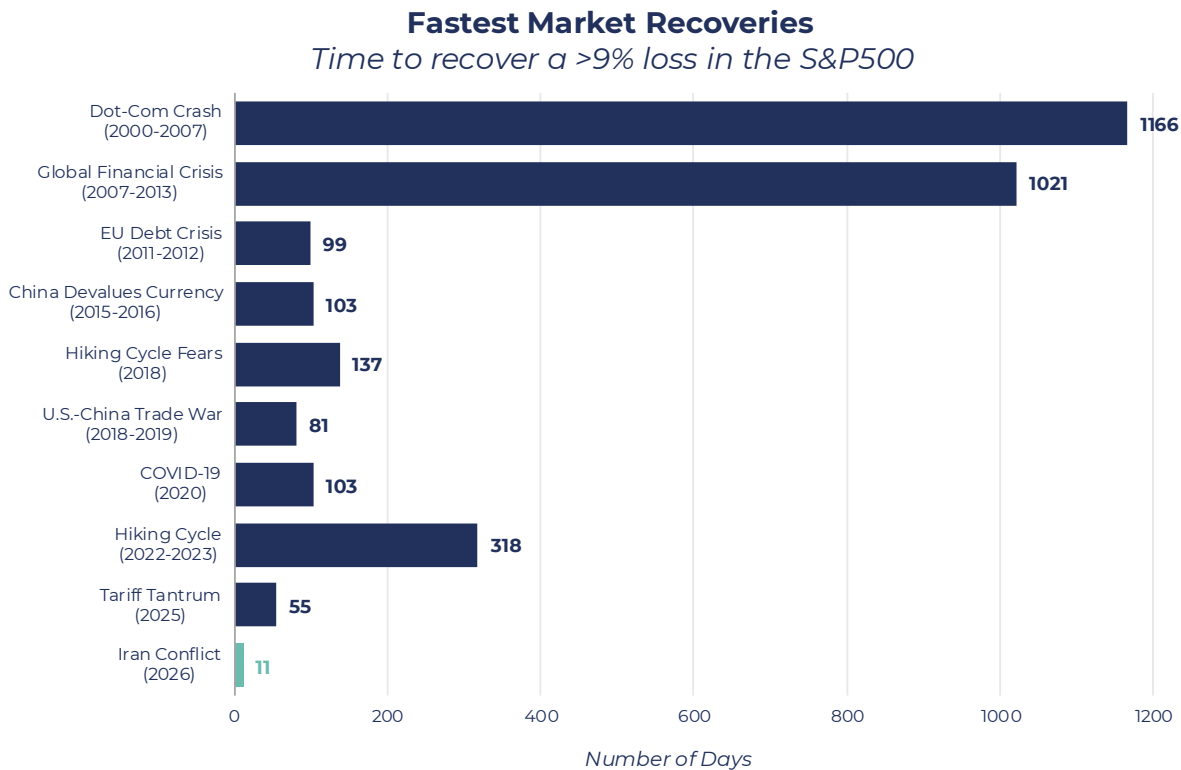


## April in Review

### Hormuz crisis continues but markets bounce back

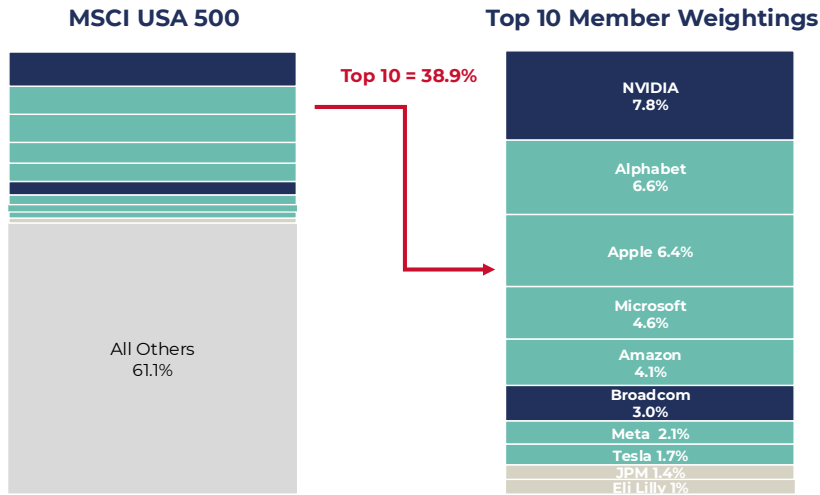
The market right now is seemingly being driven by two dominant catalysts: on the one hand, a substantial energy supply disruption from the ongoing Iran war and, on the other, the ever-growing capital pouring into the AI buildout. For the time being at least, the latter seems to be winning. Even as April brought substantial escalations to the conflict, equity markets shrugged off further disruption to energy markets (Brent crude pushing \$110 a barrel) with major indexes reaching new all-time highs. In fact, the dominant story over the month was just how well equities fared, as bullish AI sentiment fuelled extraordinary performance in pockets of the market. The Philadelphia Semiconductor Index (SOX) gained almost 40%, while key emerging markets like Taiwan and South Korea also notched stellar gains, given their leading role in the global AI supply chain. Such was the strength of the rally that the S&P 500 recovered its 9.1% drawdown in just 11 days, the fastest recovery of this magnitude on record, as outlined by the chart below.



Source: J.P. Morgan, Bloomberg Finance Data as of April 30<sup>th</sup> 2026

### Index concentration remains a concern

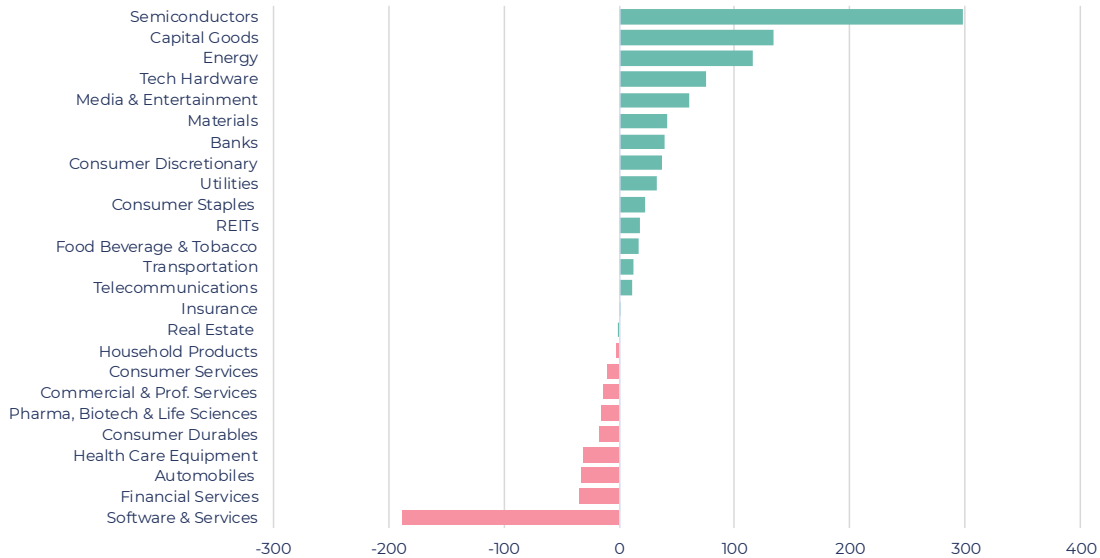
Not only are these AI-exposed stocks seeing very strong performance in absolute terms, they are also making up an ever-larger share of the overall market. As a result of this concentration, their performance is playing an increasingly important role in driving total index return. For example, the 10 largest names now make up 39% of the MSCI USA 500 (a proxy for the S&P 500), and of these 10 companies, 2 are chipmakers, 7 have direct or indirect exposure to the AI theme, and 8 are more broadly classed as technology stocks.



Source: Bloomberg, FactSet as of April 30th, 2026

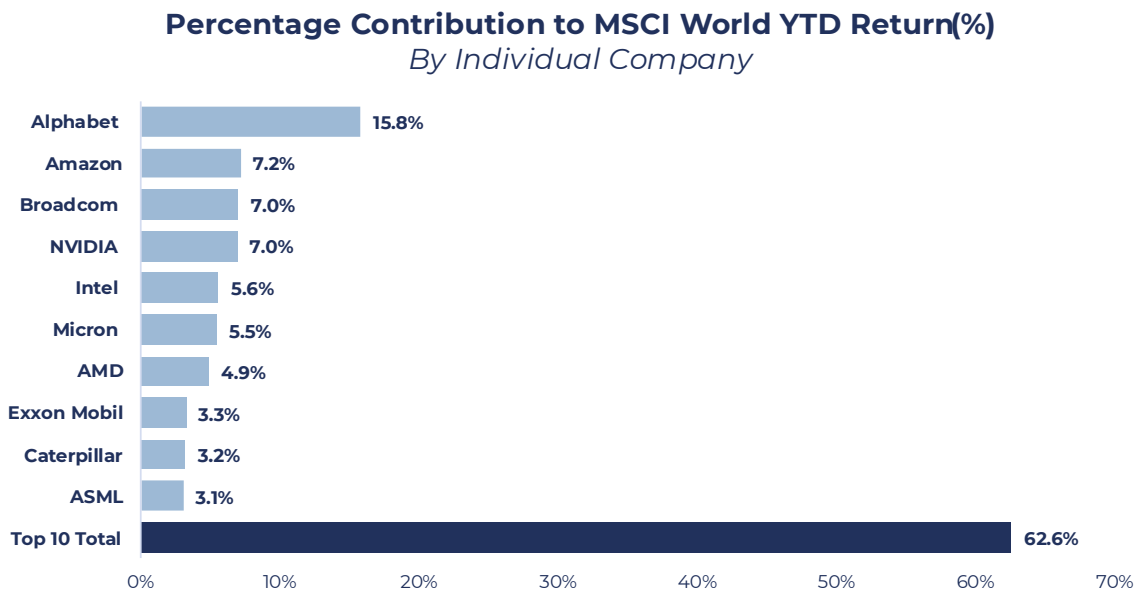
This is not just a US phenomenon. While concentration in the US market remains particularly pronounced, this trend is also mirrored when looking at a global level. For example, the chart below shows how year-to-date returns for the MSCI World have also been dominated by tech and tech-adjacent names, more specifically Semiconductors and Capital Goods, the latter being vital in enabling the data center buildout.

**YTD Contribution to MSCI World Return (bps)**  
*By Industry*



Source: Bloomberg, FactSet as of April 30th 2026

And when looking at individual names from an attribution perspective, the top 10 contributors have made up more than 60% of the index gains year to date, once more pointing to the narrowness of equity markets at present.

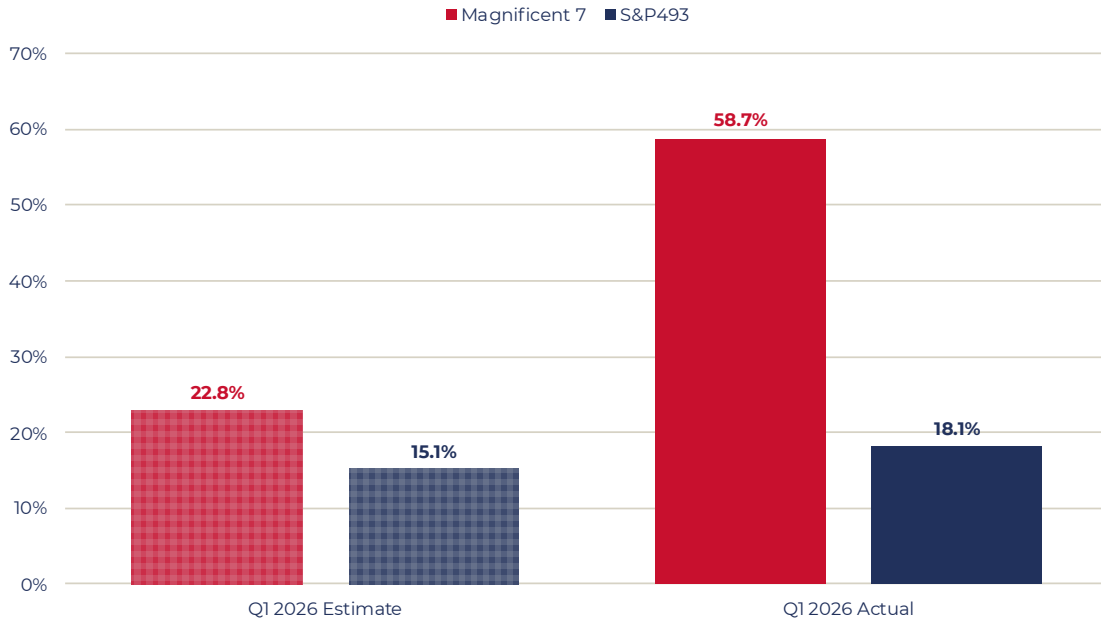


Source: FactSet as of April 30th 2026

## Earnings season was a stand-out

These companies and many more released Q1 2026 results over the month, with April seeing around two-thirds of the S&P 500 companies reporting. Reassuringly, Q1 earnings have been remarkably robust so far. While the aggregate index earnings per share (EPS) growth rate of 25% was boosted by one-time benefits – mainly relating to tax reductions from the One Big Beautiful Bill Act – the underlying growth rate was still tracking in the mid-teens. Excluding the reopening period post-pandemic, this Q1 results season has seen the lowest frequency of EPS misses in over two decades. On a net income basis, 59% of those in the S&P 500 who have reported results beat market expectations, with an average beat of ~18%. Once again, this was disproportionately driven by the Magnificent 7 stocks, who reported aggregate net income growth more than double prior consensus estimates.

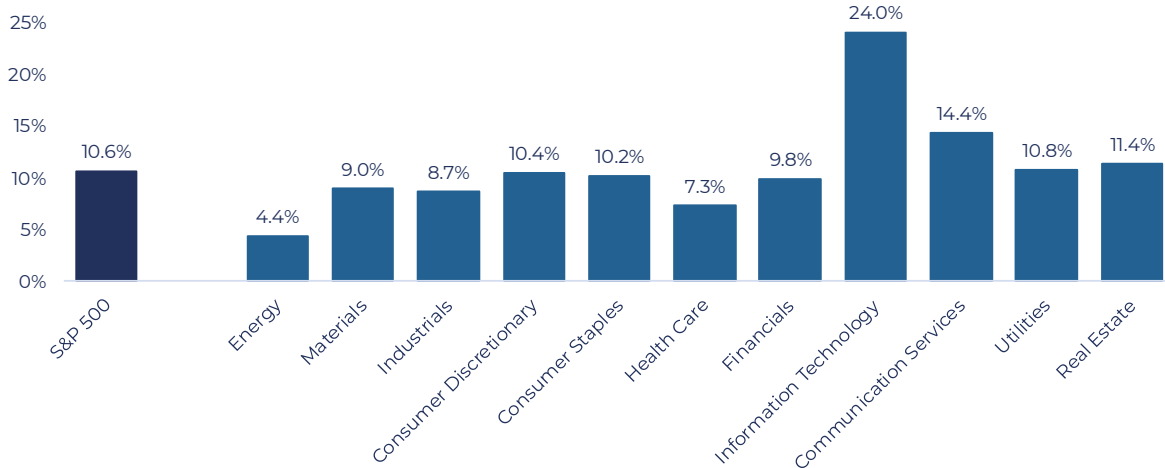
### S&P500 Q1 2026 Net Income Growth (YoY): Magnificent 7 vs S&P 493



Source: Guinness Atkinson, Bloomberg as of April 30<sup>th</sup> 2026

The resilience of results across the index is impressive, particularly in light of Q1 overlapping with the conflict in the Middle East and subsequent energy shock. This might explain why the market has responded less positively than usual to earnings beats, with investors instead focusing on the potential for major supply chain disruptions stemming from the war. This is something to watch going forward but, for now, topline beats across all sectors point to underlying tailwinds supporting broad-based sales growth.

### S&P500 Q1 2026 Sales Growth (%) By Sector



Source: Guinness Atkinson, Bloomberg as of April 30<sup>th</sup> 2026

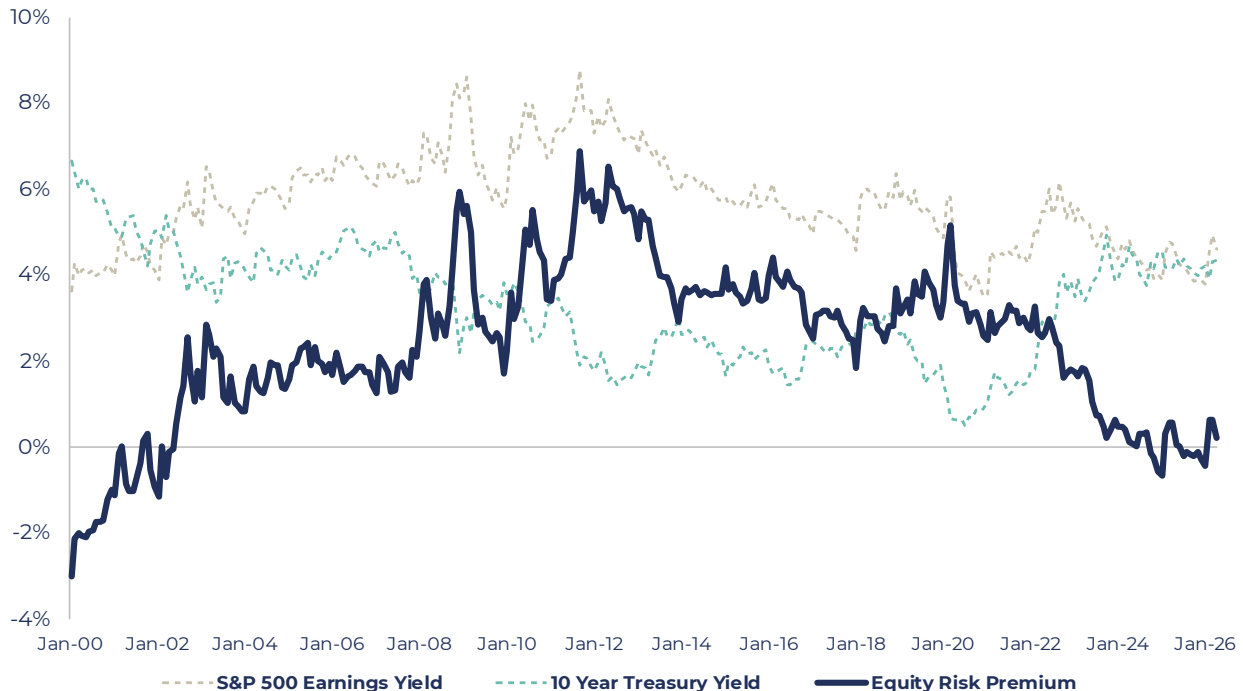
### Inflated earnings: are the current index EPS figures sustainable?

Clearly many companies exposed to the AI trend are seeing a huge earnings tailwind from the immense hyperscaler Capex (capital expenditures) spend. The actual cash is being spent in real time, benefiting the downstream companies (chipmakers, memory, power companies etc) who are posting record earnings. However, it is worth remembering how this spending is accounted for. The costs incurred by the hyperscalers are predominantly capitalized and depreciated over several years. While this is standard accounting practice, it does question whether index earnings are being temporarily inflated as the bulk of the capex depreciation is yet to hit the bottom line. Of course, if the hyperscalers can monetize these assets going forward, then earnings can continue to grow but, if not, the market may be 'over-earning' in the short term.

### Does this present a risk to equities?

Clearly the answer here is unknown, but the equity risk premium does show something interesting. When looking at the classic metric (subtracting the 10-year Treasury bond yield from the S&P 500 earnings yield) the current spread is essentially 0bps meaning, at present, equity investors are not being compensated for the additional risk of holding riskier assets. This gives no margin for error and suggests extreme enthusiasm for stocks.

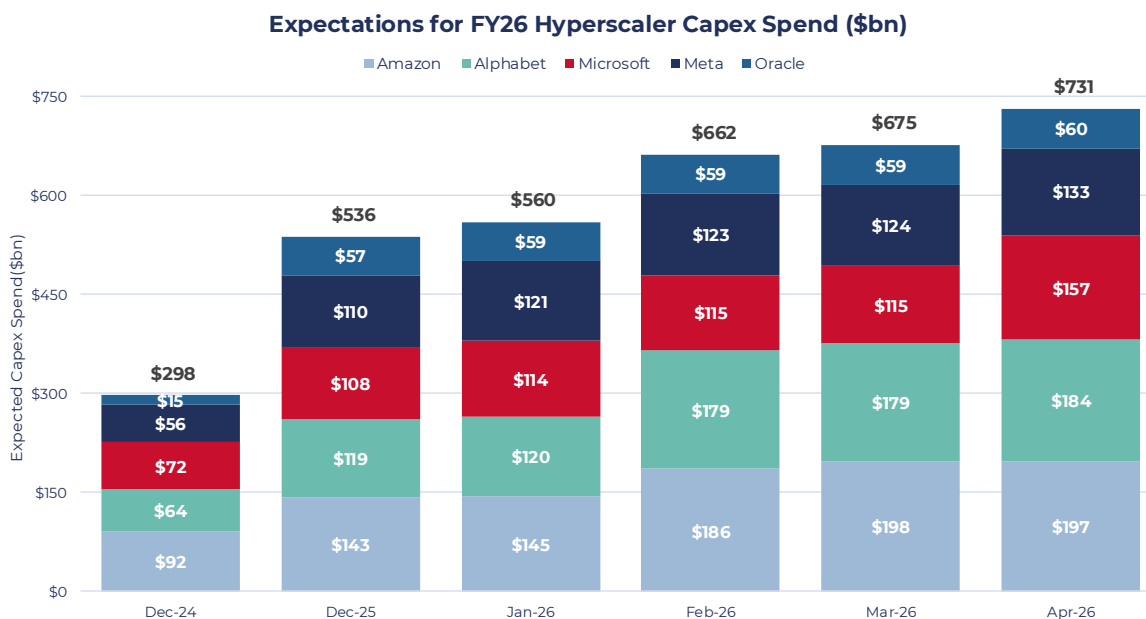
The S&P 500 Equity Risk Premium is ~0%



Source: Bloomberg as of April 30<sup>th</sup> 2026

### Themes from earnings

This extreme enthusiasm for stocks is partly attributable to the tailwinds from **hyperscaler capex increasing**, which was a core theme of the Q1 earnings season. Over the month, expectations for total FY26 hyperscaler capex increased by ~\$55bn, as Q1 results saw some names upgrade their guidance targets. It is worth remembering that back in December 2024 the estimated capex spend for 2026 was \$298bn, so the current estimate of \$731bn has grown by \$433bn in just 16 months.



Source: Guinness Atkinson, Bloomberg as of April 30<sup>th</sup> 2026

Hyperscalers have been deploying significant capital towards building out an increasing amount of data center capacity, on the premise AI-driven improvements will augment profitability. Within these higher capex outlooks, though, management teams pointed to **higher input costs** pushing spending budgets up even if the scale of planned investments were largely unchanged.



Microsoft (held in Fund):

*“Inventory levels remained elevated with increased purchasing ahead of memory price increases...Rising memory prices would impact capital expenditures.” – Amy Hood, CFO*



Meta (held in Fund):

*“[Increased 2026 capex guidance] reflects our expectations for higher component pricing this year and, to a lesser extent, additional data center costs to support future year capacity.” – Susan Li, CFO*

These companies argue that the demand for AI services outstripping supply justifies the quantum of spend being directed towards data center buildouts. Customers are quickly adopting AI services and doing so economically, being increasingly able to extract returns greater than the cost of these products.

## Blackstone

Blackstone:

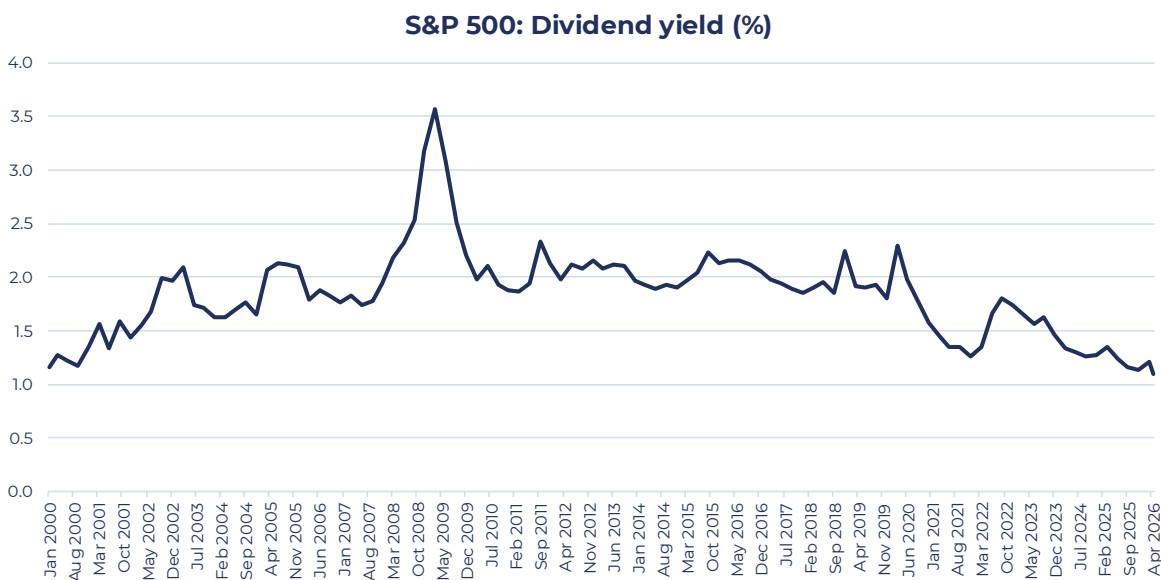
*"At our companies...LLM [Large Language Model] spend was up 15-fold in Q1 this year over last."* – Jonathan Gray, COO

## Uber

Uber:

*"Candidly, when we set up budgets for 2026 in November, we underestimated the amount of impact the AI tools could have."* – Balaji Krishnamurthy, CFO

This spending boom is not without opportunity cost. As with all budgeting decisions, there are trade-offs, and more cash being funneled towards increasing capex means **less available for shareholder payouts**. Despite strong growth in operating cash flow for US companies, both share buyback and dividend yields are near historic lows.



Source: Guinness Atkinson, Bloomberg as of April 30<sup>th</sup> 2026

Consequently, shareholders are more reliant on price return to bolster portfolio performance. As evidenced earlier by the contribution of Capital Goods to the benchmark's year-to-date returns, **Industrials have been a key beneficiary** of increasing capex being directed towards AI. Encouragingly, the sector is seeing robust demand beyond data centers, too, with management teams highlighting strength in various segments serving other end-markets.



ABB (held in Fund):

*"Customers are also continuing to spend on upgrades of electrical infrastructure for land-based transport, and linked to transport, we still see good market conditions in the marine and rail markets." – Morten Wierod, CEO*



Schneider Electric (held in Fund):

*"Overall, we see a strong demand environment with Data Centre being the most dynamic, but now with strong demand across the other three end markets [Buildings, Industry, Infrastructure] also in Q1." – Nathan Fast, CFO*

In contradiction to weak sentiment surveys and concerns about cost-of-living pressures, **consumers are also continuing to spend**. Since the pandemic, there has been a marked dislocation between consumer confidence metrics and their observed behavior. This continued in Q1, with consumer-facing companies reporting solid results and management teams commenting that their customers are still spending.



Visa (held in Fund):

*"Across our volume, both discretionary and non-discretionary spend remains strong. We do not see signs of the lower consumer spend weakening in our volumes." – Christopher Suh, CFO*



Starbucks:

*"We haven't seen a lot of the macro effects trickle into consumer behavior... we saw broad-based spend growth across all income levels and age demographics." – Brian Niccol, CEO*

## **Changes to the portfolio:**

We made no changes to the Portfolio over the quarter.

#### Fund Holdings – Monthly Performance Case Studies



Broadcom (34.9% USD)

Broadcom, the leading designer of custom AI accelerators and networking semiconductors, for many of the world's largest data centers, ended the month as the Fund's strongest performer. Broadcom develops ASICs (Application-Specific Integrated Circuits), which are custom built chips designed for single workloads, enabling superior performance at a reduce cost. Thus, these chips have increasingly become the architecture of choice for hyperscalers such as Google and Meta as they seek lower cost and use energy efficient solutions for demanding AI workloads. This positioning within the AI infrastructure build-out has been the central driver of the stock's strong performance throughout April.

The company's March earnings update had already provided a strong foundation for this month's performance. Broadcom delivered record revenues of \$19.3bn and AI semiconductor growth of approximately 105% year-on-year, comfortably beating consensus expectations. Management also outlined a longer-term target of over \$100bn in AI semiconductor revenues for FY27, a number that looks increasingly conservative. Over April, markets received several announcements that extended Broadcom's demand visibility. These included a new long-term agreement with Google covering next-generation TPU development and networking supply through 2031, an expanded collaboration with Anthropic for 3.5GW of TPU-based compute capacity from 2027, and a multi-year strategic partnership with Meta to supply and co-develop its MTIA custom silicon at scale. Taken together, these partnerships provide Broadcom with multi-year revenue visibility from the world's largest AI infrastructure spenders, validating its leadership in custom silicon and networking, and easing investor concerns around hyperscalers increasingly designing AI hardware in-house. Finally, results from the major US hyperscalers at the end of the month pointed to record capital investment and rising capex expectations for 2026, another bullish signal for Broadcom's growth prospects. With demand visibility extending well into the decade and its largest customers committing to ever-greater infrastructure spend, we remain confident in Broadcom's positioning as a beneficiary of the ongoing AI infrastructure cycle.

## Alphabet

Alphabet (33.8%)

Alphabet had a solid month in April, building on strong share price performance over the past year as markets responded positively to another set of impressive results and growing confidence in the company's AI-led growth trajectory. In April, the company delivered a standout quarter, with total revenues up 19% in constant currency, ahead of consensus and driven by strength in both Google Search and Google Cloud. Notably, Search growth reaccelerated for the fourth consecutive quarter to 19% (its fastest pace since early 2022) as AI-driven improvements in user engagement and commercial query volume began to translate into tangible monetisation benefits. As a reminder, not long-ago investors were concerned that generative AI could displace Google's core search franchise and lead to share loss; instead, recent performance suggests AI is reinforcing, rather than disrupting, its competitive position. Google Cloud was again the standout, with revenues growing 63% (well ahead of consensus) and operating income increasing approximately 200%, supported by meaningful margin expansion. The business is now operating at an about \$80bn run rate, with rapidly expanding backlog of approximately \$460bn, nearly double the prior quarter and significantly above market expectations. Management expects over half of this

backlog to convert to revenue over the next two years, providing a high degree of visibility. Encouragingly, enterprise AI solutions have now become the primary growth driver within Cloud, supported by strong adoption of Gemini, while there are plans to offer TPU (Tensor Processing Unit) hardware to external customers providing an additional long-term growth lever.

Reassuringly, Alphabet is seeing clear evidence that its AI investments are beginning to pay off. In Search, the rollout of AI Overviews and AI Mode is driving higher engagement, while the cost of core AI responses fell by more than 30% following Gemini upgrades, a meaningful signal that the economics of AI deployment are moving in its favor. At the infrastructure level, the unveiling of next-generation TPU v8 chips at its Cloud Next event in April, alongside ongoing collaboration with Broadcom on TPU development and networking, reinforces Alphabet's position as a vertically integrated AI platform with the capability to compete across the full stack. Meanwhile, initiatives such as the Universal Commerce Protocol highlight Alphabet's ambition to play a central role in the emerging agentic commerce ecosystem, with early participation from Amazon, Meta, and Microsoft lending credibility to the effort. The overall picture is of a business that is not merely spending heavily on AI, but beginning to translate that investment into tangible product improvements and longer-term strategic positioning.

The broader outlook remains constructive, despite some near-term investment headwinds. Capital expenditure is set to rise through FY26 and more significantly into FY27 to support accelerating AI demand, weighing on margins via higher depreciation. Nevertheless, strong momentum across Search, Cloud and AI, combined with improving visibility from its backlog, leaves Alphabet well positioned, with solid execution continuing to underpin investor confidence.

## Medtronic

Medtronic (-6.6%)

Medtronic, one of the world's largest medical device companies, develops and manufactures a broad range of therapeutic products used to treat chronic diseases, including cardiovascular devices, surgical tools and neurotechnology solutions. The stock had a weaker month in April, reflecting softer investor sentiment rather than any significant deterioration in underlying fundamentals. Concerns around earnings growth have weighed on the shares, particularly following updated guidance that included dilution from the MiniMed IPO and a more modest near-term EPS trajectory. The recent spin-off of its diabetes unit, MiniMed, was intended to sharpen Medtronic's focus on its core device franchises and unlock value from a lower-growth segment.

That said, recent results suggest the underlying business remains solid. In its February earnings update, Medtronic delivered organic revenue growth of 6%, its fastest pace in over two years, marking continued progress in reaccelerating the top line. Growth was led by its Cardiac Ablation Solutions (CAS) business, which grew approximately 80% year-on-year, supported by strong adoption of Pulse Field Ablation (PFA) technologies, while other areas such as Spine and Endoscopy also showed encouraging trends. Although margins remain under pressure in the near term due to product mix and ongoing investment, management expects these headwinds to ease over time as newer, higher-margin products scale.

Importantly, the company's pipeline appears increasingly robust, with recent approvals such as the Hugo surgical robot (a potential competitor to Intuitive Surgical's robot) and Stealth AXiS system (a GPS navigation system for spinal surgery), alongside longer-term opportunities. Medtronic is a high-quality, diversified medtech leader with structural tailwinds from aging demographics and rising chronic disease prevalence, a deepening innovation pipeline, and strong competitive moats built on intellectual property, physician relationships, and meaningful switching costs. While near-term earnings growth remains modest, with guidance pointing to high-single-digit

EPS growth, we believe Medtronic is gradually rebuilding momentum. Combined with its strong market positions and defensive characteristics, we see strength in the company's longer-term investment case.

## INTUIT

Intuit (-9.9%)

Intuit, the leading provider of financial and tax software for small and medium-sized businesses, remained one of the Fund's weakest performer, with underperformance continuing through April as markets grappled with the broader implications of AI on the software sector. Sentiment was further weighed down by weaker reactions to software earnings elsewhere, most notably ServiceNow, which contributed to a more cautious tone across the group. Against this backdrop, newsflow specific to Intuit was relatively limited, leaving the stock more exposed to these broader concerns around AI disruption and the pace of monetisation.

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. That said, the market remains cautious and sentiment is unlikely to recover materially until there is clearer evidence of AI monetization. We continue to follow the stock closely and remain attentive to updates across both Intuit specifically and the broader software sector.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA    Dr Ian Mortimer, CFA

## Summary performance

For the month of April, the Guinness Atkinson Global Innovators Fund provided a total return of 8.7% (USD) against the MSCI World Index net total return of 9.6% (USD). Hence the Fund underperformed the benchmark by 0.9% (USD).

April saw two competing forces dominate markets, the ongoing Iran conflict and resulting energy shock versus the relentless AI capex buildout. Despite the former causing growing market turmoil, the latter helped equities stage the fastest recovery from a 9%+ drawdown on record. Over the month, we looked at the latest developments in the AI-driven rally, the deepening concentration risk now evident at both US and global index levels, as well as the extraordinary earnings growth in markets at present. We also assessed the key themes emerging from the recent Q1 earnings season and discussed what this means for the health of the economy as well as the names held in the Fund.

Over the month, relative Fund performance can be attributed to the following:

- Information Technology was the benchmark's best performing sector (+17.5% USD), providing a tailwind to performance as the Fund's largest overweight (+42.0% in the Fund versus 26.8% weight in the MSCI World).
- The Fund is also overweight Communication Services (14.0% vs 8.7% in the benchmark), which was the second-best performing sector, gaining +16.4% compared to the wider index performance of +9.6% through April.
- The Fund's zero allocation to Materials, Energy, Utilities and Consumer Staples – sectors that underperformed the wider market in April – benefited the Fund's relative performance through a positive asset allocation effect.
- The Fund's zero allocation to Materials, Energy, Utilities and Consumer Staples – sectors that underperformed the wider market in April – benefited the Fund's relative performance through a positive asset allocation effect.
- However, the Fund's overweight position in Health Care was a detractor, as the sector lagged the broader benchmark. There were pockets of weakness within Health Care, with Medtronic (-6.6% USD) one of the Fund's bottom performers over the month.
- Although, there was some offset from positive stock selection in Industrials, with holdings ABB (+27.4%) and Schneider Electric (+19.4%) both providing strong returns during the month.

**Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.gafunds.com](http://www.gafunds.com) or calling 800-915-6566.**

### Performance

As of 4/30/2026	1 Year	3 Years	5 Years	10 Years
<b>IWIRX</b> <sup>1</sup>	26.14%	20.96%	9.68%	15.12%
<b>GINNX</b> <sup>2</sup>	26.44%	21.27%	9.96%	15.41%
<b>MSCI World Index NR</b>	29.16%	19.64%	11.28%	12.64%

As of 3/31/2026	1 Year	3 Years	5 Years	10 Years
<b>IWIRX</b> <sup>1</sup>	16.97%	17.56%	9.05%	13.97%
<b>GINNX</b> <sup>2</sup>	17.25%	17.86%	9.32%	14.25%
<b>MSCI World Index NR</b>	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](https://www.gafunds.com/our-funds/global-innovators-fund/#fund_performance) or call (800) 915-6566.*

<sup>1</sup> Investor class (IWIRX) Inception 12.15.1998 Expense ratio\* 1.25% (net); 1.34%(gross)  
<sup>2</sup> Institutional class (GINNX) Inception 12.31.2015 Expense ratio\* 1.00% (net); 1.18% (gross)

<sup>2</sup> 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, 2029. 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 4/30/2026:

1. Broadcom Inc	4.33%
2. Amazon.com Inc	4.18%
3. Alphabet Inc - A Shares	4.13%
4. KLA-Tencor Corp	3.78%
5. London Stock Exchange Group PL	3.76%
6. Netflix Inc	3.68%
7. ABB Ltd	3.65%
8. Lam Research Corp	3.51%
9. NVIDIA Corp	3.49%
10. Taiwan Semiconductor Manufacturing Co Ltd	3.47%

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](http://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.

**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.

**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 **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.

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**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.

**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.

**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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