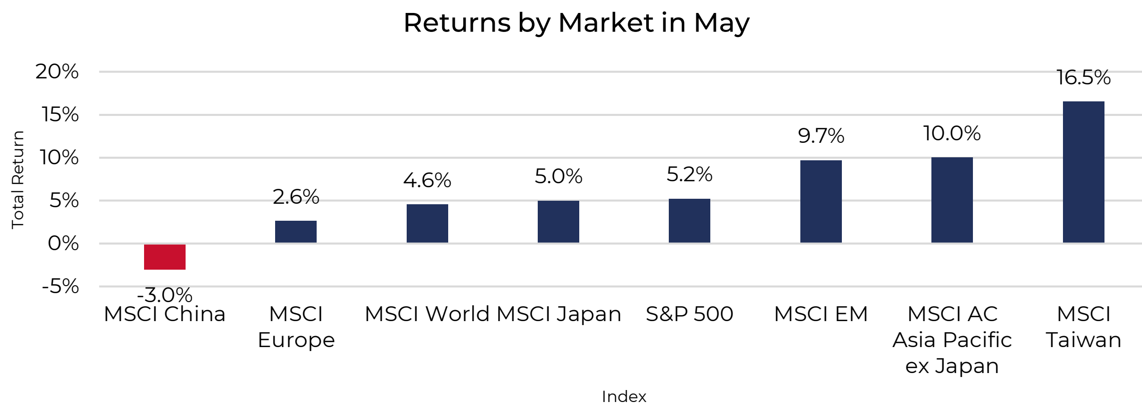
ICHKX
China & Hong Kong Fund
June 2026 Update

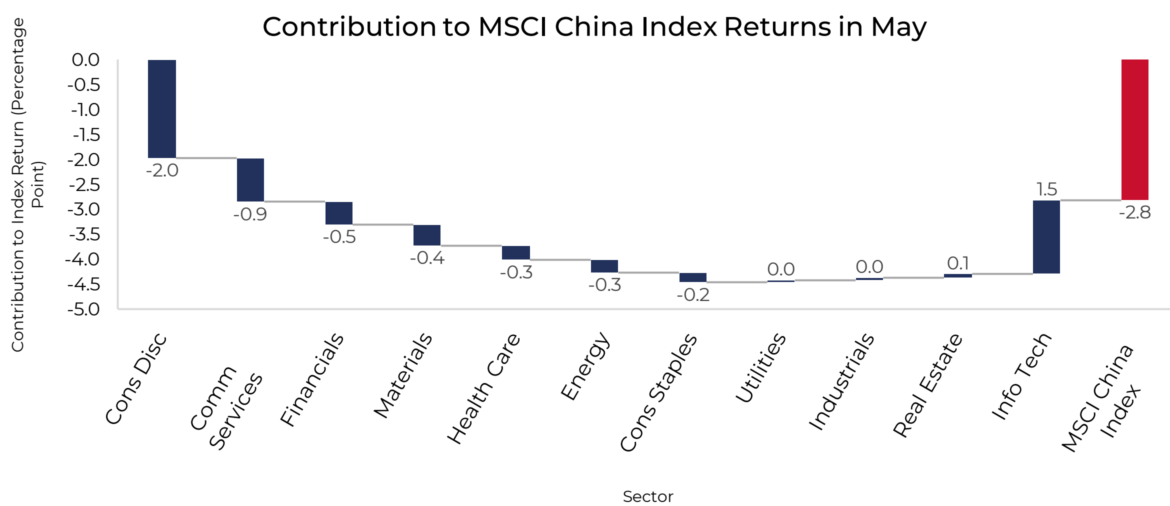
GUINNESS ATKINSON FUNDS

Market Commentary

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



(Data from 04/30/26 to 05/31/26, returns in USD, source: Bloomberg, Guinness Atkinson calculations)



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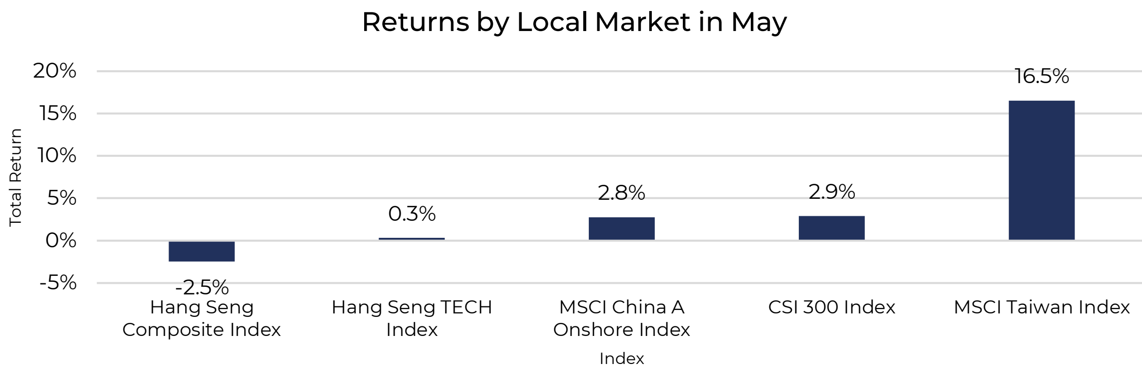

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Chinese equities lagged in May, with the MSCI China Index falling 3.0%, underperforming developed markets as measured by the MSCI World Index, which rose 4.6%. Beneath the headline index performance, however, there was a marked divergence between offshore and onshore markets. The Hang Seng Composite Index fell 2.5%, while the MSCI China A Onshore Index rose 2.8%.

Weakness was concentrated in large-cap offshore names, particularly the major internet platforms. These companies came under pressure amid uncertainty over their ability to monetize AI, mixed earnings results, and intensifying competition in large language models. Given their significant weights in the offshore market, their weakness had a meaningful impact on overall China index performance. Within Consumer Discretionary, Alibaba, Pinduoduo and Meituan were the largest detractors, while Tencent continued to weigh on Communication Services.

By contrast, parts of the onshore market performed strongly, especially AI hardware companies benefiting from the ongoing infrastructure buildout. Within Information Technology, Lenovo and Hua Hong Grace Semiconductor were among the largest contributors. Several A-share names also delivered particularly strong returns, including Zhongji Innolight (total return +36.7%), Eoptolink (+35.6%) and Shengyi Technology (+85.5%). It is important to note that A share companies in the MSCI China Index are capped at 20% of their free-float market capitalization. As a result, the index captures only a fraction of the underlying performance of these companies, meaning their contribution to headline index returns understates the strength seen in the onshore AI hardware segment.

Outlook

Onshore AI-related names have rallied strongly, but in many cases we believe valuations now reflect very optimistic assumptions for future growth. We are willing to pay for growth where we think the long-term opportunity is attractive, but not at any price. We are therefore comfortable with the Fund's current positioning, where we believe the balance between growth, quality and valuation is more attractive.

In Industrials, we expect the operating environment to improve as the drag from the property sector moderates and producer price inflation recovers. This should support both pricing and margins. Several of the Fund's holdings should also benefit from the power and infrastructure build-out required for AI data centers, but continue to trade at materially lower valuations than the more direct AI beneficiaries.

We also remain overweight in Consumer Discretionary. Valuations in the sector have de-rated following limited additional policy support, a smaller consumer trade-in program and high base effects for some subsidy-linked companies. We believe the market is treating the current slowdown in consumption as permanent and is assigning too little value to the future cashflows of these businesses.

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

Performance

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

- The structural underweight to Tencent. The Fund is run on an equally weighted basis and so each position has a neutral weight of about 3.3% while Tencent's ending weight in the index was 13.4%. As Tencent underperformed in the month, the structural underweight position benefited the Fund in relative terms, by 0.9 percentage points (pp).
- A combination of the overweight to Real Estate and stock selection, driven by China Overseas Land & Investment.
- The underweight to Materials and Energy, where the Fund has no exposure.

Areas which detracted from the Fund's relative performance were:

- A combination of the underweight in Information Technology, as well as stock selection driven by not holding Lenovo, Hua Hong Grace Semiconductor and Zhongji Innolight.
- The overweight to Consumer Discretionary, which underperformed.

As of 5/31/2026	YTD	1 Year	3 Years	5 Years	10 Years
China & Hong Kong Fund (ICHKX)	-1.66%	16.40%	6.90%	-6.55%	4.14%
MSCI China Net Total Return Index	-8.49%	6.11%	11.85%	-5.22%	5.22%

As of 3/31/2026	YTD	1 Year	3 Years	5 Years	10 Years
China & Hong Kong Fund (ICHKX)	-2.77%	13.62%	1.42%	-6.29%	3.94%
MSCI China Net Total Return Index	-8.94%	3.85%	6.55%	-4.91%	5.07%

All returns over 1 year annualized. *Source: Bloomberg, Guinness Atkinson Asset Management.*

Expense Ratio: 1.86%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data shown is current to the most recent month and quarter end. To obtain performance as of the most recent month end, please visit www.gafunds.com or call 1-800-915-6565. Performance data does not reflect the 2% redemption fee for shares held less than 30 days and, if deducted the fee would reduce the performance noted.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-915-6566 or visiting gafunds.com. Read it carefully before investing.

Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries. The China and/or Hong Kong stock markets in which the Fund invests may experience periods of volatility and instability. These fluctuations may cause a security to be worth less than it was at the time of purchase. Market risk applies to individual securities, a particular sector or the entire economy. China and/or Hong Kong stocks may fall out of favor with investors, the value of Chinese currencies may decline relative to the U.S. dollar and/or China or Hong Kong stock markets may decline generally. The Fund invests in invest in small-cap or mid-cap, which involve additional risks such as limited liquidity and greater volatility, than investments in larger companies.

One cannot invest directly in an Index.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available.

USD/CNY is the abbreviation for the US Dollar and Chinese Yuan pair. It shows how much the USD (base currency) is worth as measured against the CNY (counter currency).

Hang Seng Composite Total Return Index is a market capitalization weighted index that monitors the performance of stocks listed in Hong Kong.

MSCI AC Asia Pacific ex Japan Index is free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of countries in the Asia Pacific region.

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

MSCI EM Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Emerging markets in Asia, Europe, Middle East, Africa and Latin America.

MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 703 constituents, the index covers about 85% of this China equity universe.

The MSCI China A Index captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges. The index covers only those securities that are accessible through "Stock Connect". The index is designed for international investors and is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).

The MSCI China A Onshore Index captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges.

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

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

S&P 500 Index is a market-capitalization-weighted index of leading publicly traded companies in the U.S.

The Hang Seng Composite Index ("HSCI") offers a comprehensive Hong Kong market benchmark that covers about the top 95th percentile of the total market capitalization of companies listed on the Main Board of the Stock Exchange of Hong Kong ("SEHK").

Hang Seng TECH Index represents the 30 largest technology companies listed in Hong Kong that have high business exposure to technology themes and pass the index's screening criteria.

The MSCI Taiwan Index is designed to measure the performance of the large and mid cap segments of the Taiwan market. With90 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Taiwan.

Opinions expressed are subject to change, are not a guarantee and should not be considered investment advice. Past performance is not indicative of future results.

Dividends are not guaranteed and may fluctuate. Earnings growth and Income growth are not a measure of future performance.

Top Fund Holdings as of 5/31/2026:

1.	Weichai Power Co Ltd - H Shares	5.03%
2.	Hongfa Technology Co Ltd	4.32%
3.	Hangzhou First Applied Materials	4.20%
4.	Midea Group Co Ltd	3.99%
5.	Baidu Inc	3.86%
6.	Tencent Holdings Ltd	3.81%
7.	AIA Group Ltd	3.80%
8.	Inner Mongolia Yili - A Shares	3.77%
9.	China Overseas Land & Investments Ltd	3.77%
10.	Zhejiang Supor Cookware - A Shares	3.64%

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

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