IWIRX/GINNX

Guinness Atkinson Global Innovators Fund
July 2026 Update

GUINNESS ATKINSON FUNDS

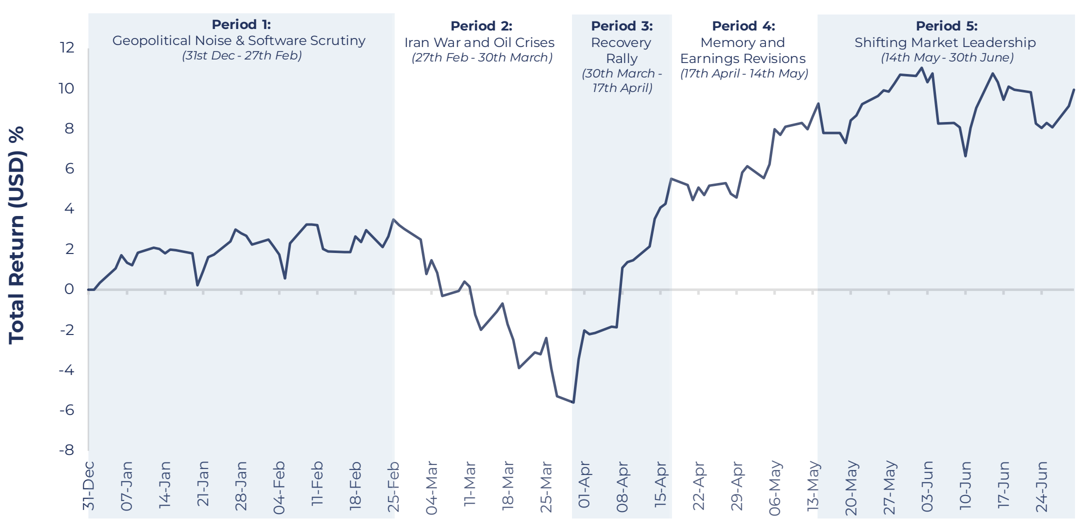
Quarter in Review

Market Review – H1 2026

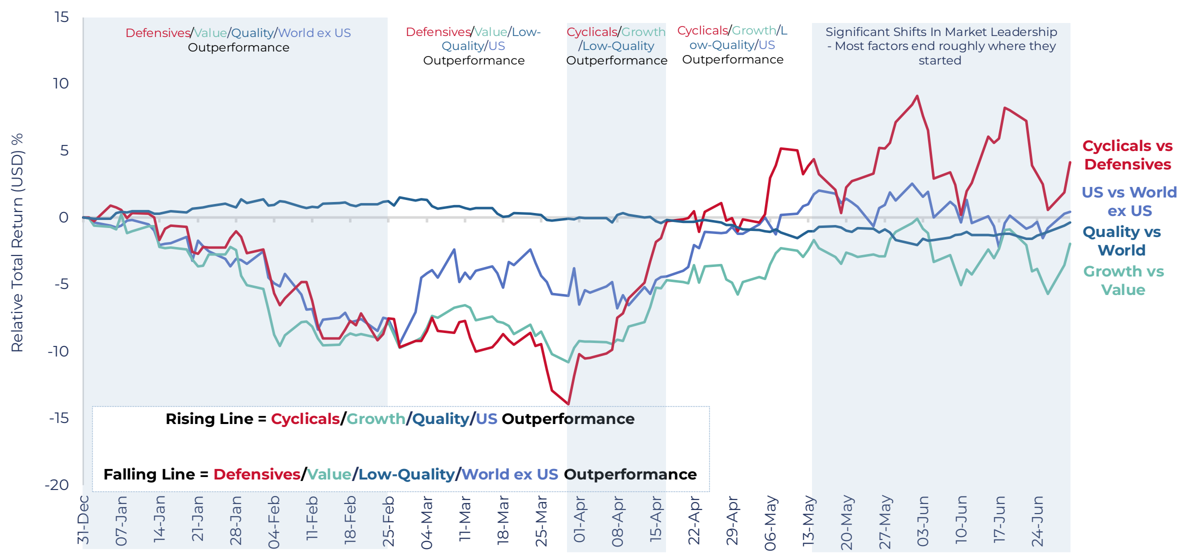
Over the first half of the year, we identified five distinct periods which help us to frame performance across markets. Rather than simply defining these by broad bull and bear market moves, we instead characterize each period by the shifts in leadership between underlying market factors - such as value versus growth, and defensives versus cyclicals - that occurred beneath the surface.

MSCI World Index - Total Return

31st Dec 2025 - 30th June 2026



MSCI World Indices - Relative Performance



Source: Bloomberg, Guinness Atkinson, as of June 30th 2026

Period 1: Geopolitical Noise & Software Scrutiny (Dec 31st– Feb 27th)

Markets navigated heavy geopolitical noise in January and February - from regime uncertainty in Venezuela following the US capture of Maduro, to Trump's Greenland ambitions straining NATO, mutual tariff threats across Europe and Canada, and spiking Japanese yields on fiscal stimulus concerns. Despite this, the MSCI World Index climbed to all-time highs, led by international (ex-US) stocks, while the US underperformed as investors rotated out of mega-caps and AI-exposed software. Global software fell 21% over the two months amid a structural reassessment of software economics under AI (DIY build risk and disintermediation, alongside the erosion of seat-based pricing). Markets instead looked to 'HALO' stocks (Heavy Assets, Low Obsolescence), prioritizing companies perceived to possess a level of natural immunity to AI-driven technological disruption. While equities 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 & Oil Crisis (Feb 27th – March 30th)

Sentiment shifted abruptly at the end of February when US and Israeli strikes on Iran escalated into a regional war, with Iranian retaliation hitting Saudi Arabia, the UAE, and Qatar. An effective closure of the Strait of Hormuz - roughly a fifth of global oil and LNG flows - sent energy and freight markets into turmoil: Brent crude jumped from $72 to $118 a barrel, the WCI freight benchmark rose 20% quarter-on-quarter, and European gas prices climbed nearly 50% after Qatar's LNG (liquified natural gas) halt. The energy shock revived stagflation fears, undermining confidence that inflation was contained just as weak US jobs data and falling business and consumer confidence pressured growth expectations. Rate-cut expectations reversed sharply, with the market pricing two US 25bp cuts at the beginning of the year to near zero by the end of the period, while Europe swung from a about 50% chance of one cut to pricing three hikes. With yields rising and gold failing as a safe haven, BofA's fund manager survey showed the fastest rush into cash since COVID. Defensives and value outperformed, while energy-importing markets, especially in Asia, sold off hardest.

Period 3 – Market Recovery Rally (March 30– April 17th)

Markets recovered strongly from late March into mid-April as the absence of further escalation stabilised risk appetite, even though the Middle East conflict remained unresolved. Oil eased from March highs, yields stopped rising, and investors unwound defensive positioning. This was more of a relief rally than genuine macro improvement, with growth and cyclicals rebounding while defensives gave back relative gains. Information Technology and Communication Services led, buoyed by renewed interest in AI infrastructure, semiconductors and select internet/platform names. Software also recovered, though confidence stayed selective given ongoing concerns over AI disruption, pricing models, and legacy platform durability.

Period 4 – Memory, Lower-Quality Software and Earnings Revisions (April 17th – May 14th)

The market rally initially reflected a broad recovery in risk appetite post-March, but by mid-April the next phase concentrated in areas seeing most aggressive earnings upgrades, particularly the semiconductor value-chain linked to AI infrastructure. Semiconductor industry revenues grew +79% y/y in Q1 2026, led by memory, where Dynamic Random-Access Memory (DRAM) and NOT AND (NAND) sales surged +271% on soaring prices, as AI hardware demand continued outstripping supply. The AI supply shortage narrative broadened beyond memory and GPUs to encompass leading-edge wafer capacity, optical components, and power and cooling infrastructure, with markets rotating towards well-positioned AI infrastructure buildout names. Software saw a partial recovery off the back of numerous strong Q1 reports that challenged the AI disintermediation narrative, but performance was heavily bifurcated: gains were largely confined to cash-generative platform software, non-seat-based consumption models, and models with deep data repositories – those deemed to be least susceptible to AI disintermediation. Beyond these names, the broader software landscape remained a laggard - companies that missed guidance/expectations or failed to reassure markets over near-term AI risks suffered further double-digit sell-offs.

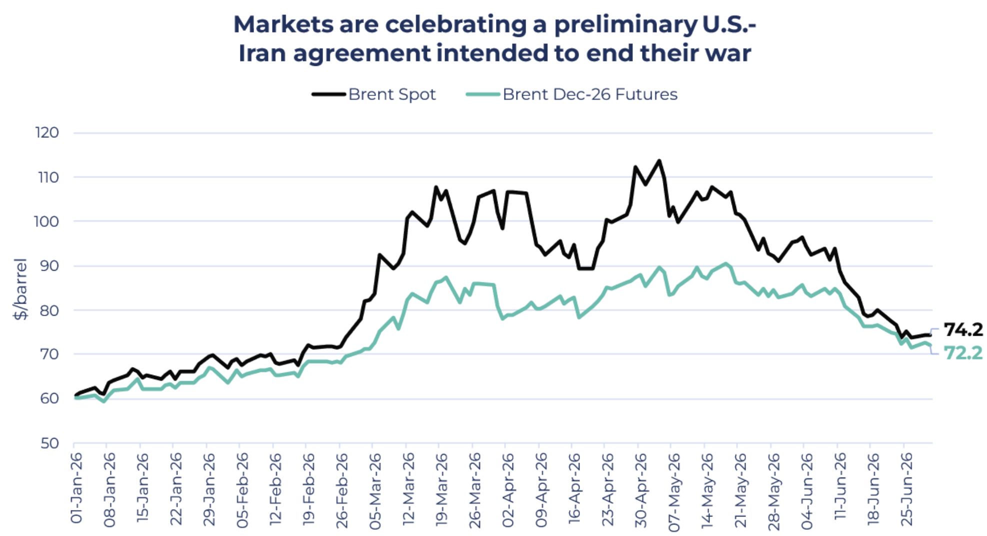
Period 5 – Volatile Markets with Fast Shifting Leadership (May 14th– June 30th)

Macro conditions shifted dramatically in late May. US-Iran tensions unwound somewhat, reducing the conflict's risk premium, with a ceasefire/MOU (Memorandum of Understanding) allowing for a partial reopening of the Strait of Hormuz. Brent crude prices were driven down to c.$70 per barrel, near pre-war levels. However, market relief was capped by persistent inflation, which reached a three-year high in May. This backdrop supported a perceivably more hawkish tone from new Fed Chair Kevin Warsh, whose comments focused strictly on price stability, prompting markets to price in earlier rate hikes, with more than one hike priced in by 2026-year end. The Magnificent Seven materially underperformed the rest of the market, partly as investor scepticism grew over near-term AI capital expenditures (capex) monetization. Instead, markets rotated towards the chipmakers and semiconductor equipment manufacturers who would benefit from their large capex plans – regardless the level of AI monetisation. Investors also rotated into areas perceived as more insulated from AI disruption, with Financials, Industrials and Healthcare among the strongest contributors to performance over the period. This broadening of the market allowed the MSCI World Equally Weighted Index to outperform its market weighted counterpart since mid-May. Overall, whilst the market remains near all-time highs, this period was marked by multiple shifts in leadership, as investors balanced secular AI growth enthusiasm and macro caution - rotating between defensives vs cyclicals, and value vs growth – although greater emphasis on quality has returned.

Key Market Themes Over Q2

The war premium unwinds

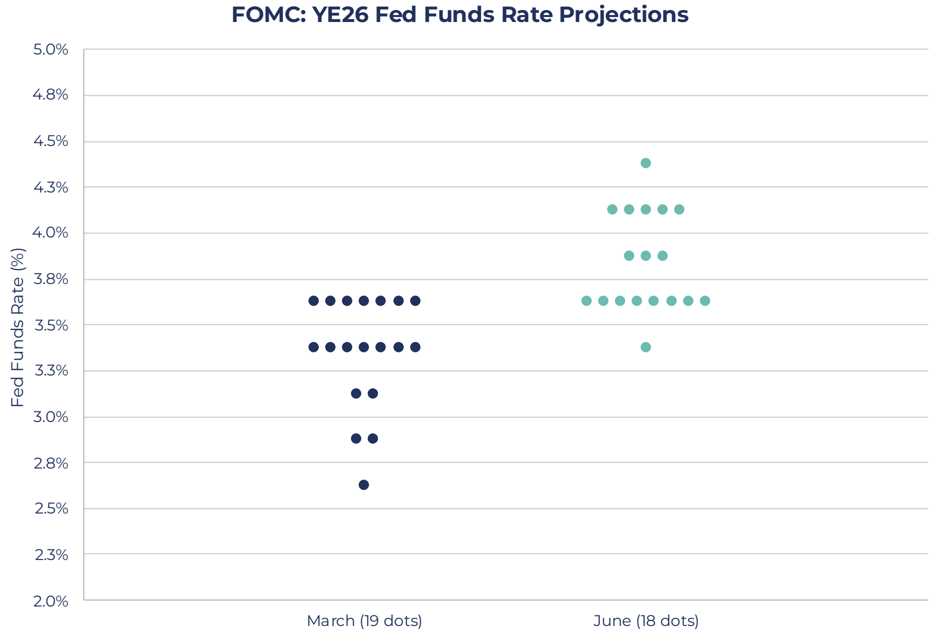
Brent crude, having dominated headlines since the outbreak of the Israel-Iran conflict, fell sharply over June, moving from around $96 a barrel at the start of the month to the mid-$70s by month end, a decline of over 20%. The move reflects the unwinding of the geopolitical risk premium built into prices during the conflict earlier in the year. Progress toward de-escalation through the month, culminating in the signing of an interim US-Iran agreement on 17 June to reopen the Strait of Hormuz and extend the ceasefire, removed much of the fear premium that had pushed Brent above $100 earlier in 2026. The signing of an interim agreement was also felt in oil futures markets, with Brent Dec-26 Futures trading at the end of June almost at par with spot prices, as depicted in the graph below, something not seen since before the war started. Despite the clear deescalation, the deal is preliminary and key issues, notably Iran's nuclear program, remain unresolved and the broader oil market's return to balance is not yet a certainty. *Note: As at the time* *of writing, the US and Iran traded military strikes after the Islamic Republic had seemingly attacked ships in the Strait of Hormuz.*



Source: Bloomberg, Guinness Atkinson, as of June 30th 2026

Warsh and the Fed Reserve

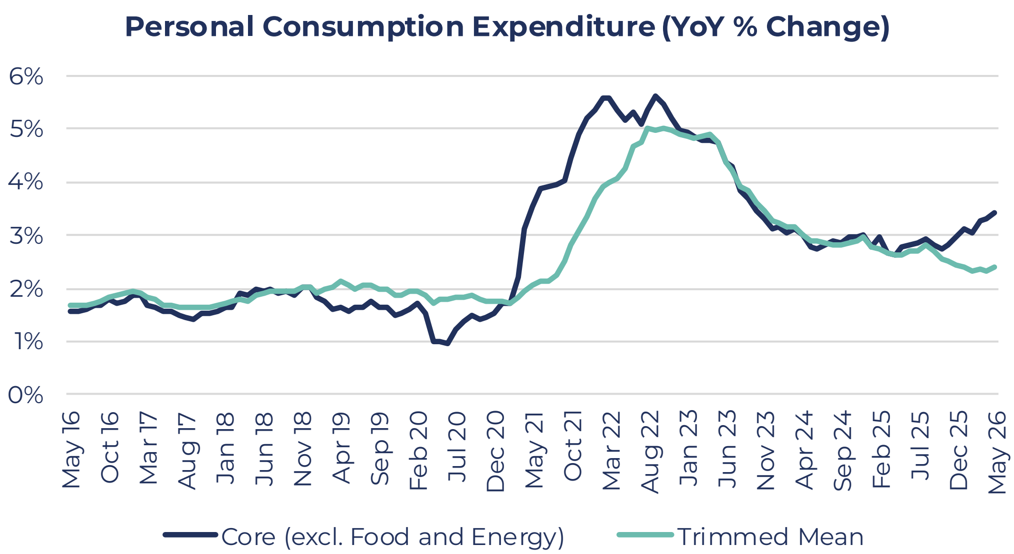
The inflationary uncertainty stemming from the war in Iran is being exacerbated by newfound confusion about how the Federal Reserve (Fed) is now thinking about such economic shocks. Earlier this year, President Trump nominated a new Chair, Kevin Warsh, to the Federal Open Market Committee (FOMC) that sets interest rates and releases statements on the macroeconomic outlook. Warsh has previously been vocal in criticizing the communication methods of the FOMC and made clear he would enact change once in the role. In June, all forward guidance was removed from their policy statements, and Warsh refused to submit any forecasts of his own for the Summary of Economic Projections (SEP). This meant that the 'dot plot' – the chart showing FOMC members' estimates for where the federal funds rate will be in the future – had one less datapoint than last quarter.



Source: Guinness Atkinson, Bloomberg, as of June 30th 2026

The chart also shows a hawkish shift from the committee, with the median expectation for the federal funds rate by year end increasing from 3.375% at the March meeting to 3.750% in June. This, paired with Warsh saying repeatedly at the press conference that inflation was still too high, caused the markets to change their expectation for one rate rise in the next twelve months to two hikes.

However, Warsh was appointed by Trump, who has clearly stated his preference for lower rates. An alternative way to justify delaying hikes would be to use a different measure of inflation; Warsh has already expressed a preference for using trimmed mean inflation. This personal consumption expenditures (PCE) measure omits outlying components before taking an average of what remains. Conveniently for those who are more dovish, trimmed mean PCE has been falling recently while the core version (excluding food and energy) continues to rise. This is because the trim is asymmetric – it removes components where the price change is below the 24th percentile and above the 69th in the distribution. As of late, higher percentiles have seen prices increases above or equal to lower ones, so taking more off the top has biased the measure downwards.



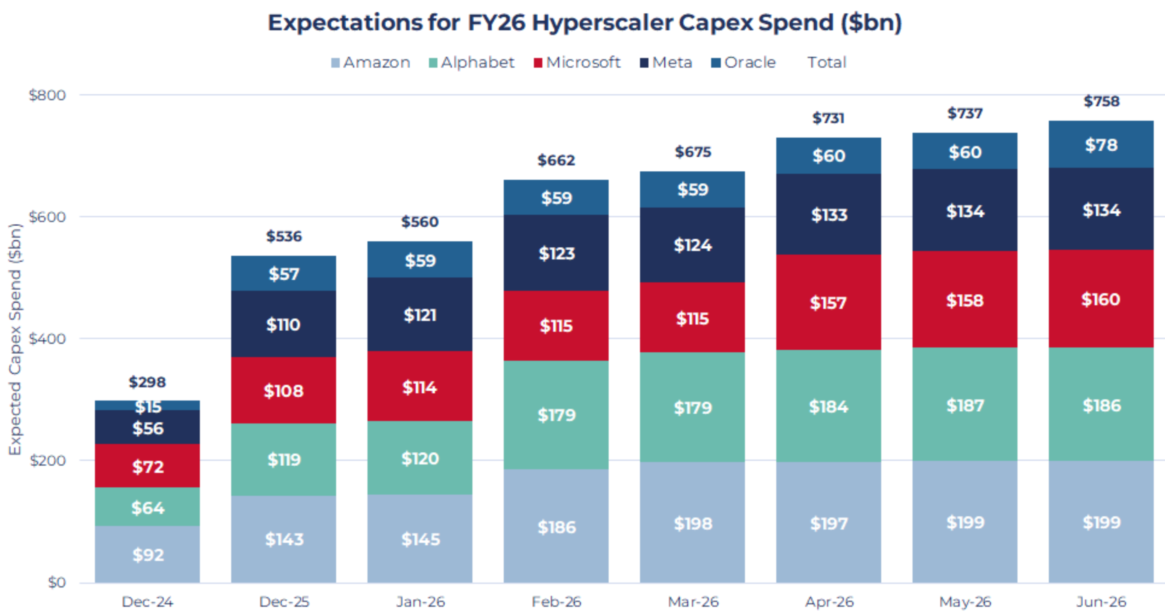
Source: Guinness Atkinson, Federal Reserve Bank of St. Louis, as of June 30th 2026

All of this contributes to growing uncertainty regarding the future path of interest rates. With or without forward guidance, markets will interpret new information in the context of how they believe the Fed will respond. Reducing communications risks making investors jumpier and affecting central bank credibility given the time lags present when implementing monetary policy. The potential for policy surprises is higher than it was before, which could cause borrowing costs to rise, regardless of what the Fed decides to do with interest rates.

That said, the lack of forward guidance could help remove the 'Fed put', which is based on the market's belief the Fed will always step in to protect financial markets from major losses by either cutting rates or injecting liquidity. This presumption can artificially depress volatility, distort the cost of capital and create moral hazard. Removing this may give the Fed more flexibility to change course when presented with new information. Plus, trimmed means are less prone to revisions, which could reduce the noise the Federal Open Market Committee (FOMC) needs to cut through when making data-based decisions in the future. This has implications for individual companies who are making spending decisions predicated on their expected cost of capital.

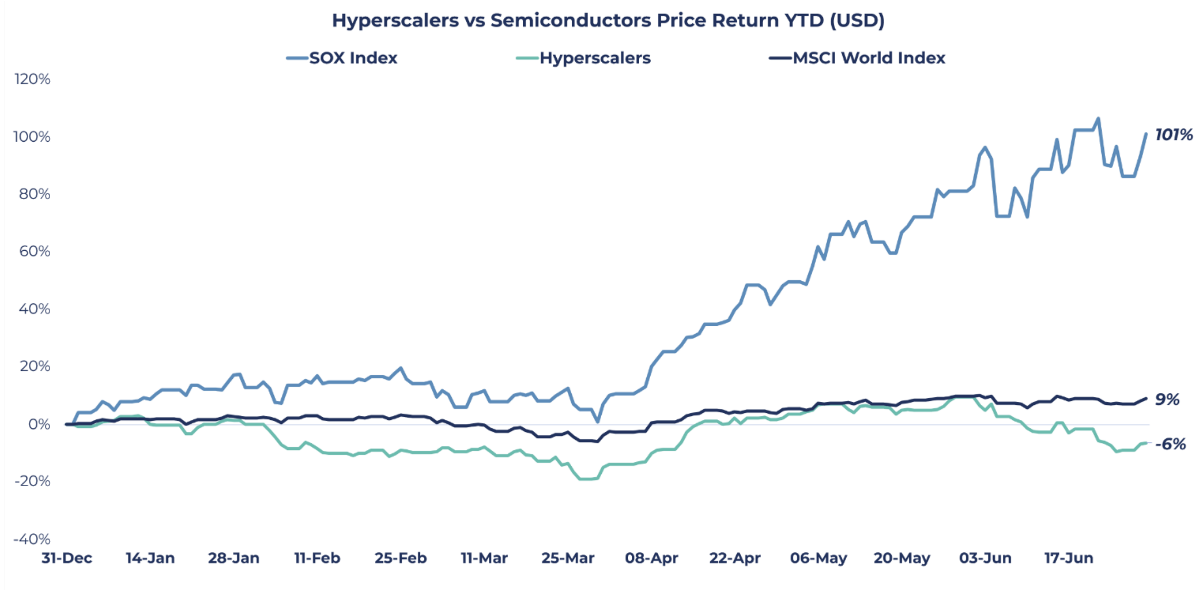
Hyperscaler Capex

The current capex cycle is clearly intertwined with a sharp increase in semiconductor demand and we believe continued Hyperscaler spending is a key indicator that the AI infrastructure build-out is still underway. This spending is effectively funding the next phase of the data centre build-out. As Hyperscalers scale both training and, increasingly, inference workloads, their willingness to keep lifting capex expectations supports the view that this semiconductor cycle could prove longer lasting and more structurally driven than prior upcycles. In each earnings cycle, the major Hyperscalers have generally revised capex guidance higher and the direction of travel is striking. Expected FY26 Hyperscaler capex has risen from around $298bn in December 2024 to $758bn by the end of the second quarter this year, more than doubling as Amazon, Alphabet, Microsoft, Meta and Oracle continue to commit capital to AI compute capacity.



Source: Bloomberg, Guinness Atkinson

Investor sentiment has increasingly diverged between the two sides of the AI infrastructure trade. While semiconductor stocks have continued to benefit from enthusiasm around the AI build-out, hyperscalers have come under pressure despite being central to the same theme. The key concern is that the scale of this ongoing Hyperscaler capex is a cause for concern given the lack of visibility on its return on investment (ROI). Year-to-date, Hyperscalers have significantly underperformed semiconductor stocks, as the market has been far more willing to reward the suppliers of AI infrastructure than the companies funding it. The chart below shows the SOX Semiconductor Index up around 101% year-to-date, dramatically outperforming both the MSCI World Index, up roughly 9%, and the Hyperscalers (defined by a basket of the largest US-listed cloud infrastructure providers), down 6%. This divergence highlights a clear split within the technology sector: investors continue to reward chipmakers enabling AI buildout, while Hyperscalers have lagged as concerns grow around the scale, duration, and returns of their AI capital spending.

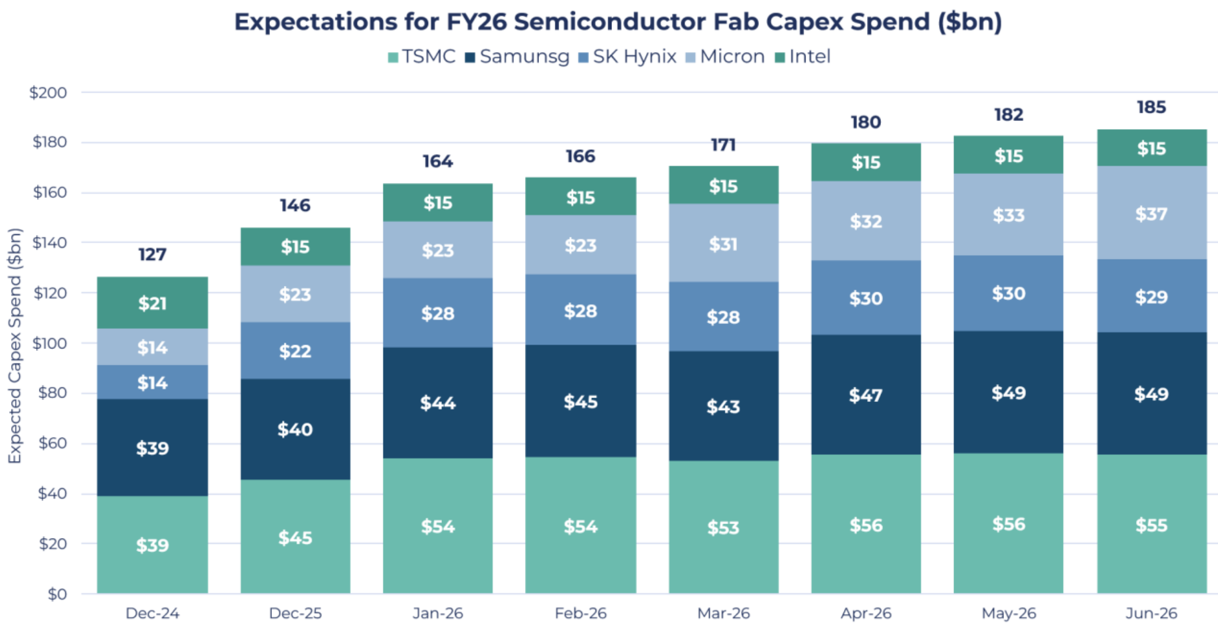


Source: Bloomberg, Guinness Atkinson, UBS 'Hyperscaler' Basket

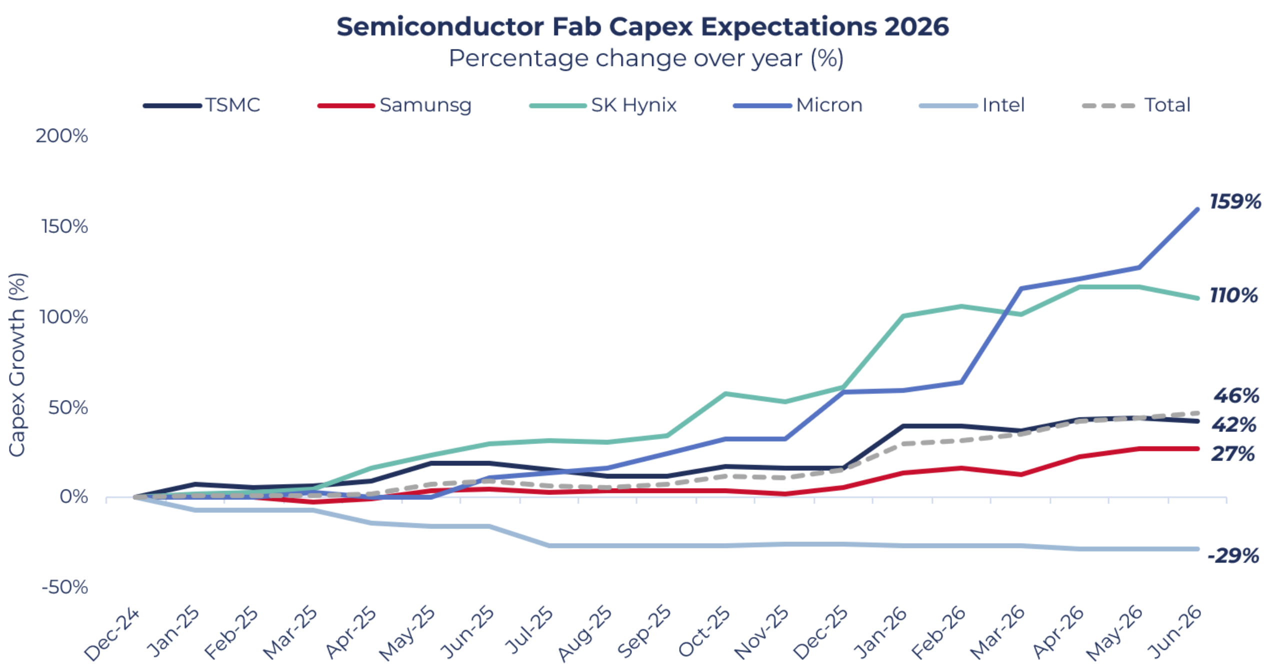
Foundry Capex

While Hyperscaler Capex is clearly a key focus area for markets, foundry and memory capex are becoming increasingly important in a semiconductor rally that is being driven by both supply constraints and huge AI-led demand, given the critical role of semiconductors in AI applications. The memory cycle remains highly cyclical and commoditized: when capacity is tight, pricing rises quickly; when new supply arrives too fast or demand weakens, pricing can fall just as quickly. This cycle is therefore being supported by AI-driven demand for high bandwidth memory (HBM), dynamic random-access memory (DRAM) and NAND, but also by the fact that supply cannot be added immediately. Memory player Micron has explicitly pointed to cleanroom constraints, long construction lead times and limited DRAM/NAND supply, all constraining server demand.

There are now clear signals that both foundries and memory fabs are preparing to increase spending to address these bottlenecks. As shown in the first chart, expectations for FY26 fab capex have risen from $146bn in December last year to $185bn by June 2026, while the second chart shows that expected capex growth has also broadened, with total spending across the key fabs rising to 46% by October 26. The strongest upward revisions are in memory: Micron is now expected to grow capex by 159% and SK Hynix by 110%, compared to expectations before the cycle began in 2025. TSMC also stands out on the logic side, with expected capex growth rising to 42%, reflecting stronger demand for advanced foundry and packaging capacity. This fits the company-level signals: TSMC, historically more conservative on capacity, is now guiding FY26 capex toward the high end of its range, while Micron, SK Hynix and Samsung are planning large multi-year investments to ease tight AI memory supply. However, supply constraints may remain in place for some time, even as companies commit to higher spending, as new fab and memory capacity takes years to build and ramp.



Source: Bloomberg, Guinness Atkinson



Source: Bloomberg, Guinness Atkinson

What do capital markets tell us?

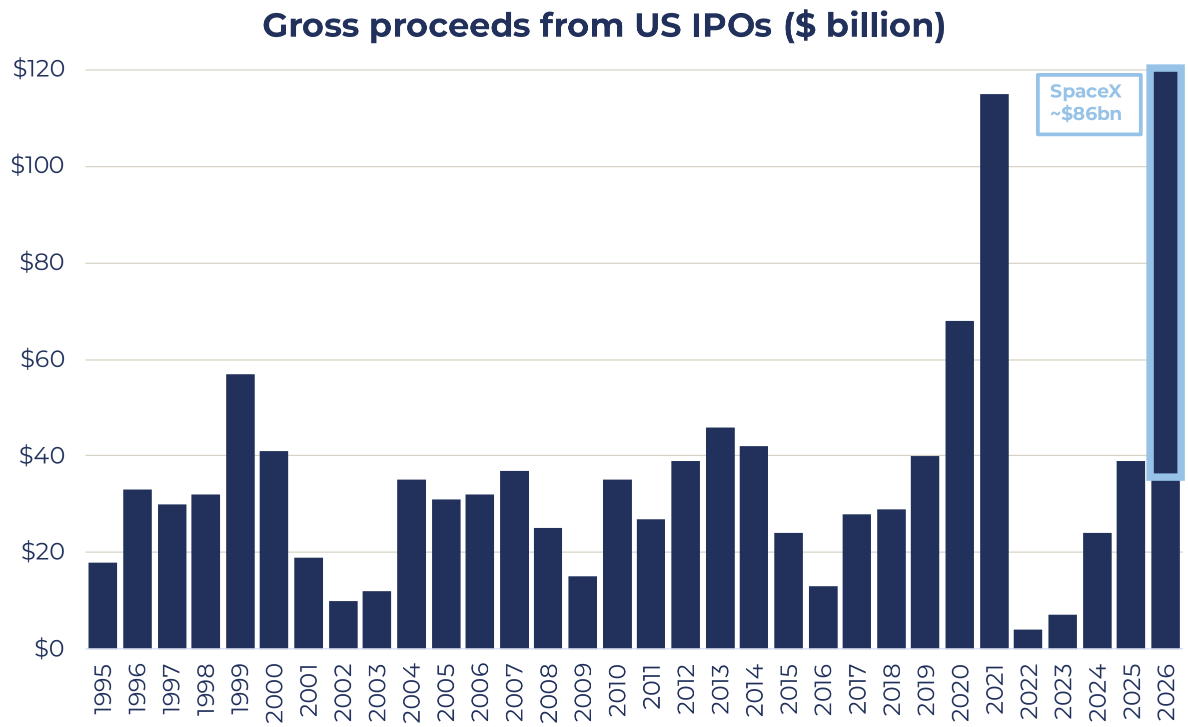
Although every market cycle is different, elevated capital raises are usually a common denominator of late cycle stages. Companies raise funds to invest in growth and pursue attractive returns, and management has a clear incentive to do so when valuations are elevated, since equity and debt are effectively cheaper to issue. Companies know this, which is why a broad pickup in capital raises across a market is often read as a sign that valuations have become stretched relative to underlying fundamentals. Furthermore, executives sometimes overestimate the scale of future demand, leading to a mismatch between supply and demand when supply eventually comes online later in the cycle.

Recent months have offered a live illustration of this dynamic in the AI space. SpaceX completed the largest IPO on record in June, raising roughly $86 billion at a valuation of $1.77 trillion. Anthropic and OpenAI have each since filed confidentially with the SEC for listings later this year, at valuations of roughly $965 billion and up to $1 trillion respectively.

Recently, Alphabet also took advantage of the strong investor sentiment in the AI space. In June, the company priced close to $85bn in equity, including a private placement with Berkshire Hathaway, weeks after having already raised nearly $32bn in bonds in February, both to help fund its AI infrastructure build-out. Alphabet generated $174bn of operating cash flow over the past year and had not raised meaningful equity since 2006. That it tapped both equity and debt markets within weeks speaks to the scale of the AI infrastructure build-out.

A spike in capital raised is not, on its own, a reason to call a market top, but it is a useful compass as we navigate the AI capital cycle. The signal needs to be weighed against other factors, above all, the scale of future demand, especially where an emerging technology offers the prospect of attractive returns on capital. Additionally, some of the hyperscalers, such as Meta and Alphabet, have been able to improve their legacy businesses via AI investments, effectively consuming part of the supply they have brought online.

Even though we are only halfway through 2026, gross proceeds from US IPOs are already at $120bn (with SpaceX accounting for ~$86bn), above the record 2021 year. However, a key difference between 2026 and previous market peaks lies in the number of deals rather than their size. The market has averaged roughly 100 IPOs a year over the past 25 years, and 2026 is tracking close to that pace, compared with more than 250 in 2021 and nearly 400 in 1999.



Source: FactSet, Goldman Sachs Research, Guinness Atkinson

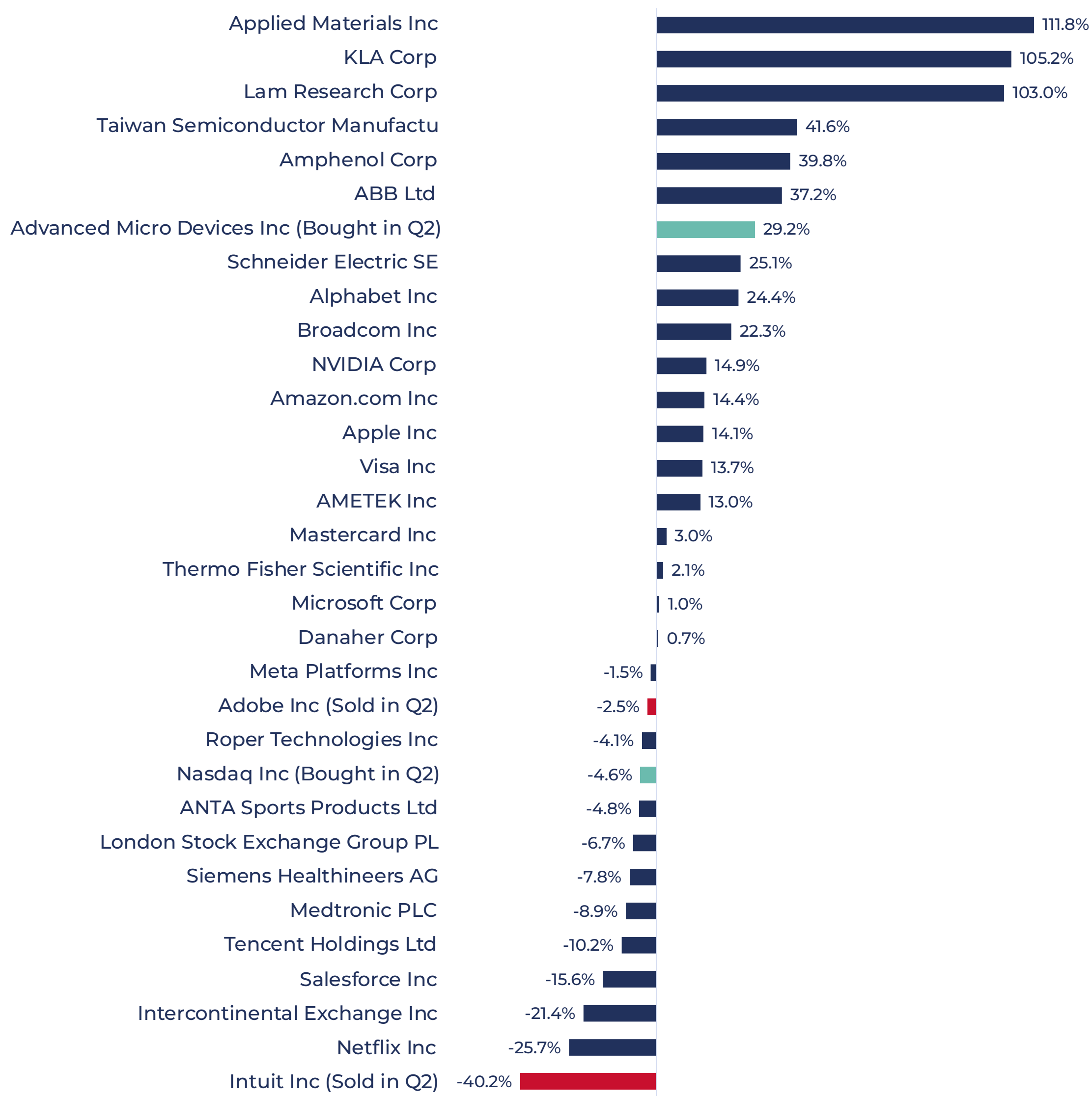
US IPOs greater than $25m in value. As of June 23 2026.

On the debt side, a similar pattern has emerged. Companies like Meta, Alphabet, and Oracle, none of which had issued much debt in recent years, have all turned to bond markets to help fund AI capital expenditure. Meta priced a $30 billion bond deal in October, its largest in years, while Oracle has been the most aggressive borrower of the group, raising $43 billion in debt over the past year with more planned. Altogether, the five major hyperscalers issued roughly $121 billion in bonds in 2025, more than four times their average in prior years, with 2026 issuance expected to run even higher as AI spending across the group approaches $760 billion at the end of June.

As ever, we will continue to monitor the progress of these factors over the rest of the year.

Individual Stock Performance in Q2 2026

The chart below shows the portfolio constituents' returns over Q2 2026 in USD.



Source: Guinness Atkinson, Bloomberg, as of June 30th 2026

Semiconductor equipment manufacturers

The Fund holds three semiconductor equipment manufacturers, which provide wafer fabrication equipment (WFE). These names were the top performers over the quarter: Applied Materials (+111.8% in USD), KLA (+105.2%), LAM (+103.0%). WFE companies sit at the heart of the semiconductor value chain, supplying the highly specialised tools needed to manufacture advanced chips. 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 supportive, as hyperscalers require not only more chips, but increasingly complex and advanced architectures, materially increasing equipment intensity across the manufacturing process. As a result, these companies have been printing strong quarterly earnings reports. Applied Materials, as the broadest player across front-end, process control and advanced packaging, remains well positioned to capture share as chipmakers invest across the full manufacturing stack. Recent results and forward commentary from management pointed to a clear inflection in growth beginning in the second half of FY26, highlighting the firm's significant exposure and leading role in the global AI infrastructure buildout. KLA, the leader in process control and yield management, continues to play a critical role as semiconductor manufacturing becomes increasingly complex. Demand for its inspection and metrology tools remains structurally supported by the transition to advanced nodes, high-bandwidth memory and advanced packaging, where small improvements in yield have a large economic impact for customers. Lam, which specializes in etch and deposition, has been supported by accelerating DRAM and high-bandwidth memory demand, resilient China revenues, and faster-than-expected growth in its high-margin services business. Management has repeatedly raised its outlook for global WFE spending, framing the current cycle as supply-constrained rather than demand-constrained, and extended their elevated growth outlook into 2026 and 2027. 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 reinforces our conviction in these holdings as high-quality beneficiaries of the next tailwind to semiconductor growth.

Netflix (-25.7% in USD)

Netflix, the streaming giant, was one of the Fund's bottom performers over the month, following a harsh share price to reaction to their last quarterly print. Shares sold off despite strong organic growth driven by strong membership numbers, higher pricing, and increased advertising revenue. There was also a boost to earnings per share (EPS) from the termination fee related to Paramount's merger with Warner Bros, as Netflix had previously been in talks to acquire the latter's studio and streaming assets. However, the market was disappointed by Netflix choosing to maintain FY 2026 guidance despite the positive momentum seen in the first quarter. This was taken as a potential indicator of growth deceleration in future quarters, with some questioning whether Netflix can sustain pricing power going forward given the increases they have already pushed through the subscriber base. The company also announced the departure of their Co-Founder and Chairman, Reed Hastings, who wishes to now focus on philanthropic and other pursuits.

Netflix has since named their longtime board member, Jay Hoag, as the successor, indicating there should be continuity in the firm's strategy. The bid for Warner Bros was a departure from Netflix's historic modus operandi, so it was encouraging to see them display capital discipline by refusing to engage in a bidding war for those assets. Their withdrawal from this process signaled a return to the existing organic growth strategy of heavy internal investment into content. They have resumed share buybacks – which had been paused while the Warner Bros discussions were ongoing – and these are expected to ramp in future quarters. Netflix is actively scaling its advertising capabilities to expand its ad-supported tier: rolling out interactive video ads, leveraging AI to automate ad targeting, and shifting the bulk of its ad business toward programmatic channels (where advertisers can bid for a certain number of viewers in a particular demographic, for example). In our view, Netflix continues to generate strong, recurring cash flows and separate itself from legacy media peers as a dominant, high-quality company.

Changes to the portfolio:

In Q2 2026, we made two switches to the portfolio.

Buys:

Advanced Micro Devices (**AMD**) is a fabless semiconductor company focused on high-performance and AI computing. It designs and sells a broad portfolio of AI-optimised CPUs, GPUs, and networking chips, positioning itself as a full-stack solutions provider across cloud and AI infrastructure, while maintaining strong competitive positioning in PC and gaming end-markets. AMD has notably closed the performance gap with Nvidia in recent years, driven by targeted acquisitions and sustained software investment. The Helios platform, built on AMD's acquisition of systems integrator ZT Systems, is AMD's first rack-scale system unifying GPUs, CPUs, and Pensando networking into a frontier AI infrastructure solution, and should be a material growth driver from 2027 onwards.

AMD is also structurally advantaged by a shift in data center computational architecture. Its EPYC server CPUs offer industry-leading performance-per-dollar and have taken substantial share from Intel in enterprise and cloud deployments. The rapid build-out of AI infrastructure is driving demand for high core-density server CPUs to meet the orchestration requirements of agentic workloads, and the rise of AI agents could push the CPU-to-GPU deployment ratio toward parity, representing a 4x to 8x increase from current levels. Beyond the data center, AMD's edge AI and FPGA (field-programmable gate array) franchises represent underappreciated optionality, with meaningful exposure to inference at the edge as AI workloads migrate beyond centralised infrastructure.

AMD's transformation is largely the product of its CEO, Lisa Su, whose tenure since 2014 represents one of the most consequential leadership runs in semiconductor history. She converted an underfunded, unfocused company with a deteriorating PC CPU franchise and no credible path to profitability into a high-quality, profitable, diversified semiconductor powerhouse.

Looking ahead, we expect significant top-line growth as the AI build-out progresses and, importantly, even stronger bottom-line expansion. AMD's operating margin opportunity is compelling, driven by improving unit economics and operating leverage as volumes scale. At 45x one-year forward price-to-earnings ratio

(P/E), the valuation is objectively demanding but not excessive given the potential for 50% annualized earnings growth to 2030. Importantly, the market has a consistent track record of underestimating structural inflection points in AI infrastructure, with GPU and memory demand being the clearest precedents. We believe server CPU is in the early stages of the same pattern and poised to accelerate meaningfully over the coming years, making AMD an attractive investment opportunity.

Nasdaq is best understood not as a traditional exchange but as a global technology, data, and analytics company that happens to own a major stock exchange, a positioning it has deliberately built since its 2017 strategic pivot away from transaction-driven revenue and towards higher-growth, higher margin software and analytics.

Nasdaq's business is diversified across three segments. Through its Financial Technology segment, the firm is strategically positioned to benefit from a structural rise in compliance and transparency requirements as regulators demand more granular and frequent reporting from banks globally. This segment also houses Calypso, a trading and risk-management platform whose demand is underpinned by the growing complexity of trading, collateral, and risk requirements at large financial institutions. The Capital Access Platforms segment include listing fees, market data subscriptions and index licensing on products like the Nasdaq-100, among others. Lastly, its exchange business, although originally the direct driver of the business, has become more of an enabler for other business segments, as trading activity generates proprietary pricing data that the company repackages and monetizes, while providing the firm with a partial hedge during periods of heightened market volatility. Further, its 60% recurring revenue mix offers a hedge against economic downturns. From a growth standpoint, bottom line growth should outpace top line growth over the medium and long term on margin expansion driven by operating leverage, cost synergies and growing weight of higher-margin solutions.

We originally looked at Nasdaq at the end of last year, when the stock traded at around 23x forward P/E. Since then, partly driven by the broader SaaSpocalypse (Software as a Service sell off), the stock has de-rated to 19x, which we view as an attractive entry point given the quality and growth characteristics of the business. We believe Nasdaq being caught up in this sell-off is not justified, given its business is built on data, analytics, and exchange infrastructure rather than the kind of seat-based enterprise software AI agents might displace. While AI is not expected to be a primary driver, we have more confidence Nasdaq will be a net beneficiary of AI than we did with Intuit. We believe precision requirements, high switching costs, data ownership, security, and domain expertise all limit AI-driven disintermediation risk, while its structured data delivery positions Nasdaq as a critical input provider for AI systems rather than a casualty of them.

Sells:

We initially bought **Adobe** for its high-quality fundamentals: a subscription-based model that generated over 96% of revenue, profit margins approaching 30%, and a deep distribution network supported by strong brand equity. We believed these attributes would provide a durable competitive edge and saw potential for Adobe to expand into historically underpenetrated segments such as non-traditional enterprise users and individual creators, to enable deeper monetization.

However, the shares have struggled recently due to the rapidly changing and increasingly competitive landscape in the creative design and data analytics markets. Initially, Adobe was seen as a beneficiary of the AI boom as its flagship tool Firefly quickly gained momentum, generated over 16 billion creative outputs, and set adoption records. Despite this early promise, the picture has since been muddied by a disconnect between upbeat management commentary and the lack of a growth inflection that would be expected to follow.

While Adobe was focusing on the longer term by prioritizing user proliferation rather than immediate product monetization, we felt achieving an inflection in the backlog and sales growth through pricing was going to be more difficult than previously envisioned. In particular, the potential need to adapt the industry-standard SaaS model to incorporate the token intensity of AI product presents a real challenge for the company. This has been compounded by the announced retirement of long-time CEO Shantanu Narayen and company changes to segment reporting, further complicating analysts' ability to assess their performance over time. In light of these ongoing headwinds and the lack of clarity over how Adobe might have to adapt their model in the future, we saw better opportunities elsewhere and decided to exit the position.

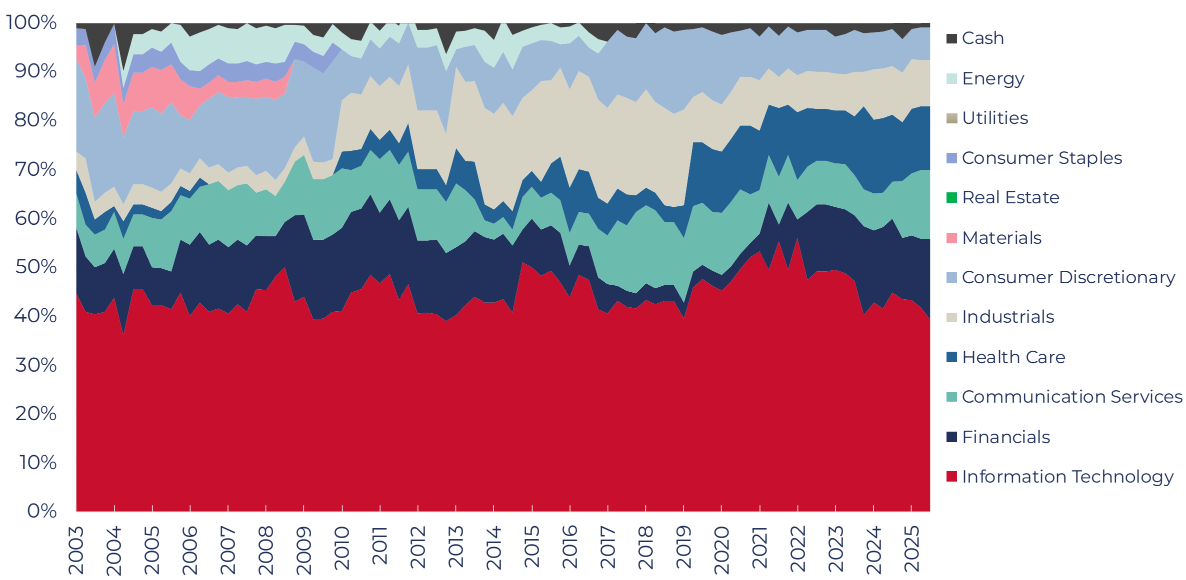
We initially bought **Intuit** for its market-leading position in mission-critical tax and accounting software, a deeply embedded QuickBooks platform with significant switching costs, and a strong consumer brand in TurboTax. QuickBooks' about 80% market share, high customer retention, and accountant-led distribution created a durable competitive advantage, while Intuit's expanding ecosystem across payments, payroll, lending, Mailchimp, and tax services provided a clear runway for long-term growth and deeper monetization.

Toward the end of 2025 and moving into 2026, markets became increasingly concerned with the 'Saaspocalypse' and the broader implications of AI disruption across the software sector, souring sentiment on the stock. While Intuit continued to deliver resilient results overall, its most recent earnings print changed the thesis for us. Revenue and earnings were modestly ahead of consensus, but the quarter was overshadowed by disappointing TurboTax performance, where revenue growth of 7% fell short of expectations (c.8%) and paid DIY returns declined sharply, particularly among price-sensitive, lower-income filers. This reignited concerns that Intuit's pricing power and share at the lower end of the tax market may be more vulnerable than previously anticipated.

Although QuickBooks remains a high-quality asset, embedded in small business workflows and supported by a growing services layer, we felt the quarter weakened the durability of the broader Intuit thesis. In particular, TurboTax's DIY weakness, combined with management's shift toward 'value-based' pricing, suggests that the moat around simple tax filing may be eroding faster than expected. This further complicated the potential for re-rating as we believe AI does not need to fully displace TurboTax to create a problem; it only needs to pressure willingness to pay in commoditized filing use cases. While other products namely QuickBooks Online Advanced and Intuit Enterprise Suite continue to offer attractive growth opportunities, the risk of a faster-than-expected plateau in TurboTax, alongside limited near-term clarity on AI monetization, led us to conclude that there were better opportunities elsewhere and we decided to exit the position.

Portfolio characteristics

The two charts below show how the exposure of the portfolio has evolved since the strategy's launch in 2003. We continue to hold no exposure to Real Estate, Energy, Materials, Consumer Staples, and Utilities and are therefore underweight these sectors relative to the benchmark.



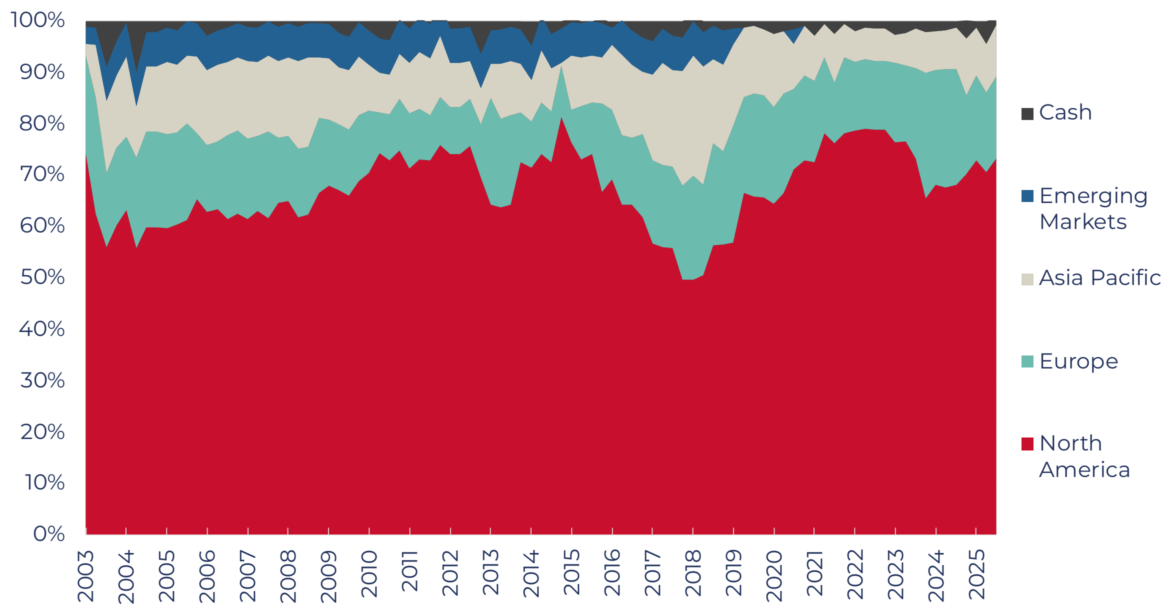
Portfolio sector breakdown. Guinness Atkinson, Bloomberg (June 30th 2026)

The Fund continues to have a large overweight to IT (9%), but this is slightly lower than last quarter due to an IT company (Intuit) being switched for a Financials business (Nasdaq). Selling Adobe and buying AMD did not change the Fund's headline sector exposure, as they both sit within IT, albeit in different subsectors. This meant the Fund's allocation to software decreased in favor of semiconductors.

Sector breakdown of the fund versus MSCI World Index

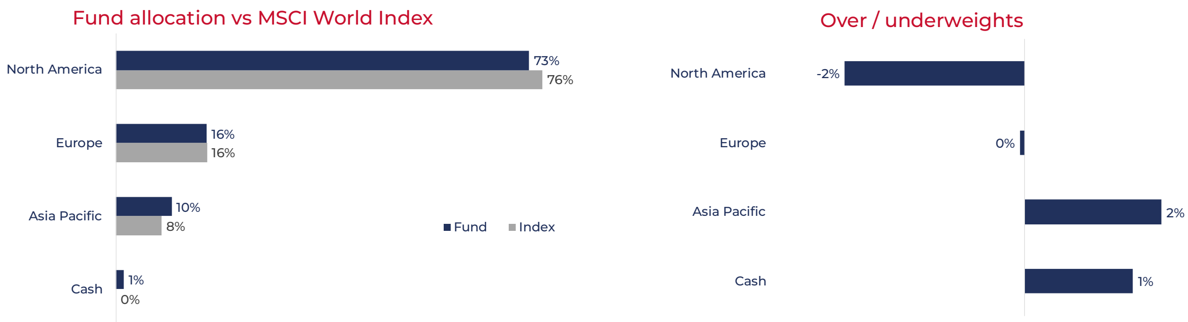
Guinness Atkinson, Bloomberg (data as of June 30th 2026)

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 (June 30th 2026)

Geographic breakdown versus MSCI World Index



Guinness Atkinson, Bloomberg (data as of June 30th 2026)

Outlook

The Guinness Atkinson Global Innovators Fund seeks to invest in quality growth companies trading at reasonable valuations. With this approach, we aim to invest in companies that are experiencing faster profit growth, larger margins and lower susceptibility to cyclical pressures. In particular, our focus on quality growth-at-a-reasonable-price has shown its 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 table below 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** provides a hedge against downside risks. We focus on high and consistent return on capital, balance sheet strength, and sustainable competitive advantages.
- **Valuation** is important – we want to avoid overpaying for (uncertain) future growth today.
- **Conviction** is reflected in our low-turnover, high active share, 30-stock, approximately equal-weight portfolio.

We believe 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 15.2% premium to the MSCI World Index on a price/earnings (P/E) basis (2026e), with expected earnings growth (2026 vs 2025) of 20.7% vs the MSCI World of 19.4%. Compared to the MSCI World Growth Index, the Fund trades at a -18.1% discount (P/E 2026e), but with a comparable level of expected earnings growth.

Portfolio metrics versus MSCI World Index		Fund	World Index
Growth	Trailing 5-year sales growth (annualized)	14.3%	
	Estimated earnings growth (12M forward)	20.7%	
Quality	Median Return-on-Capital	24.5%	
	Median net debt / equity	19.5%	
Valuation	Price/Earnings ratio (2026e)	23.5x	
	Price/Earnings (2027e)	20.1x	
Conviction	Number of stocks	30	
	Active share	77%	

Source: Guinness Atkinson, Bloomberg, as of June 30th 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 stocks, while growing debate around whether the AI trade has entered bubble territory has added another layer of caution to investor sentiment. These dynamics have contributed to increased market volatility and a more uncertain backdrop for global equities. Despite a complex macro-economic setting, stock fundamentals have shown resilience, giving us reassurance in our bottom-up approach to stock-picking. We believe that the Fund's focus on high-quality growth stocks, underpinned by structural innovation themes, stands us in good stead. Our research process helps to identify these quality growth companies whilst 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 look forward to updating you on the progress of the fund over the remainder of 2026 and thank you for your continued support.

Portfolio Managers

Matthew Page, CFA & Dr Ian Mortimer, CFA

Summary Performance

In the second quarter of 2026, the Guinness Atkinson Global Innovators Fund returned 14.2% (in USD), the MSCI World Index returned 13.8%. The Fund therefore outperformed the Index by 0.4 percentage points (pp) over the period.

Into the second quarter of 2026, much of the heightened geopolitical tension and market caution seen in the first quarter began to unwind. The de-escalation of the war in the Middle East helped stabilise sentiment, while Brent crude prices fell sharply after reaching USD 120 per barrel in April. This easing in energy market pressure reduced inflation concerns and supported a broad recovery across risk assets, even as bond markets remained directionless while investors continued to assess the impact of energy price volatility on growth and monetary policy.

Alongside the easing geopolitical backdrop, the quarter saw a powerful rotation back into the artificial intelligence trade. The US Hyperscalers continued to raise 2026 capex guidance to new highs, driving renewed confidence in technology stocks and in particular AI supply chain beneficiaries: semiconductors and IT hardware. Developed market equities rose 13.9% over the quarter, while emerging markets surged 24%, their strongest quarterly gain since 2009, supported by exceptional performance in markets such as Korea and Taiwan. Korean index heavyweights SK Hynix and Samsung Electronics were among the clearest beneficiaries, soaring in value as demand for memory and semiconductor capacity accelerated. Growth stocks also outperformed value as investors once again favoured companies exposed to the infrastructure and picks and shovels of the AI trade.

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

- The Fund benefitted from its overweight position to the Information Technology sector as it outperformed the broader index (+33.7% vs +13.8%). This was supported by positive stock selection within the sector as Fund holdings including Applied Materials (+111.8% in USD), KLA (+105.2%), and Lam Research (+103.0%) delivered robust returns above the MSCI World Information Technology sector.
- From an asset allocation perspective, the Fund's overweight position to Communication Services was a drag as the sector underperformed the wider benchmark (+7.2% vs +13.8%). Further, Fund holding Netflix (-25.7%) disappointed by not raising their full year guidance. This created a stock selection headwind, despite the company printing a solid set of quarterly results.
- The Fund saw a tailwind from a zero-weight allocation to some of the benchmark's weaker sectors including Utilities (+0.1%), Materials (+1.4%), and Energy (-13.4%). Investors rotated away from the latter, as progress was made towards de-escalating the US-Iran conflict that has affected energy supplies.

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 or calling 800-915-6566.

Performance

As of 6/30/2026	1 Year	3 Years	5 Years	10 Years
IWIRX [1]	16.83%	19.37%	9.91%	15.71%
GINNX [2]	17.12%	19.67%	10.18%	16.00%
MSCI World Index NR	21.34%	19.22%	11.47%	13.13%

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); 1.24%(gross)
[2] Institutional class (GINNX) Inception	12.31.2015	Expense ratio*	1.00% (net); 1.08% (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, 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 6/30/2026:

1. KLA-Tencor Corp	5.04%
2. Applied Materials Inc	4.80%
3. Lam Research Corp	4.50%
4. Advanced Micro Devices Inc	4.17%

5. Taiwan Semiconductor Manufacturing Co Ltd	3.97%
6. ABB Ltd	3.74%
7. Broadcom Inc	3.72%
8. Amphenol Corp	3.68%
9. Alphabet Inc - A Shares	3.64%
10. Amazon.com Inc	3.57%

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

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

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

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

MSCI World Equally Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI World Index. The index includes the same constituents as its parent (large and mid cap securities from 23 Developed Markets countries). However, at each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price (high or low).

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.

The **PHLX Semiconductor Index (SOX)** consists of companies focused on semiconductor products such as microchips, computers, and networking equipment.

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

The **Nasdaq-100 Index** is as a truly differentiated US large cap equity benchmark comprised of 100 innovative Nasdaq-listed companies, representing a unique mix of sector exposures.

Indexes are unmanaged. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

The **UBS Hyperscalers basket** tracks the performance of the largest US-listed cloud infrastructure providers supporting AI workloads. The basket is equal weighted and consists of: Amazon, Microsoft, Alphabet, Oracle, and Meta.

Market capitalization shows a company's value based on the total price of its outstanding shares.

P/E multiple is used to compare a company's market value (price) with its earnings. A company with a price or market value that is high compared to its level of earnings has a high P/E multiple. A company with a low price compared to its level of earnings has a low P/E multiple.

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

Multiple Expansion is when an asset is trading at a notably higher P/E ratio than in the past. This means its share price has increased relatively more than its expected earnings per share.

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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.

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

SaaS is a cloud-based software delivery model where individuals or organizations subscribe to applications rather than purchasing and installing them locally.

Return on capital measures the return that an investment generates for capital contributors, in percentage. It indicates how effectively capital is being turned into profits.

Net-debt-to-equity evaluates financial leverage, by taking total debt and subtracting cash reserves, then dividing by shareholders' equity.

Active share is a metric showing the percentage of a portfolio's holdings that are different from its benchmark. A higher active share indicates greater deviation from the index.

One cannot invest directly in an index.

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