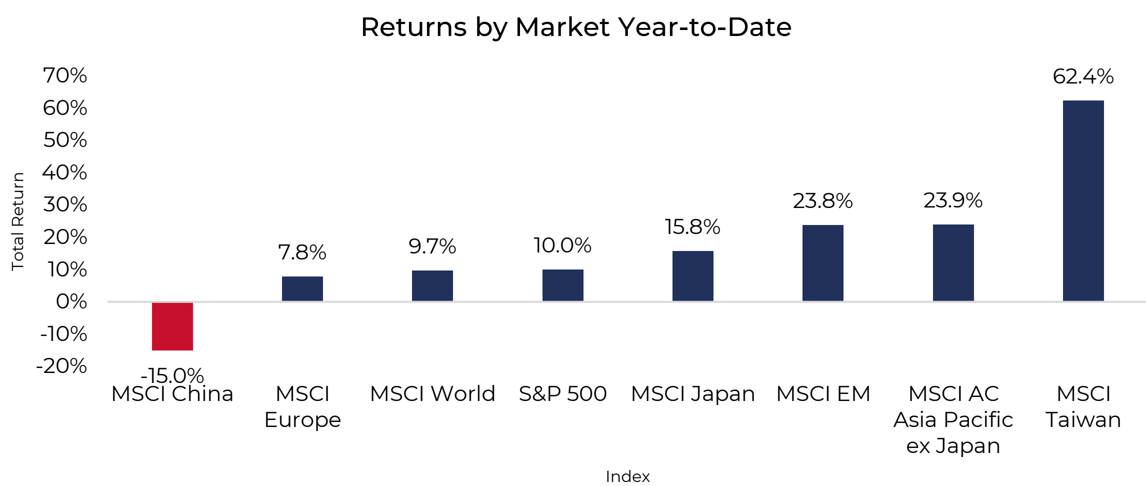
Market Commentary

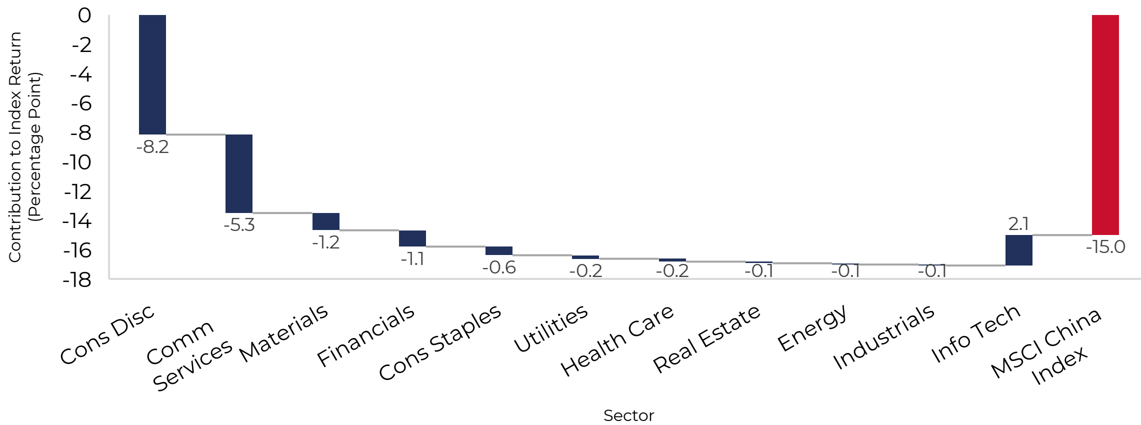
(Performance data in the section in USD terms unless otherwise stated)



(Data from 12/31/25 to 06/30/26, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

(Data from 12/31/25 to 06/30/26, returns in USD, source: Factset, Guinness Atkinson calculations)

Contribution to MSCI China Index Returns Year-to-Date



(Data from 12/31/25 to 06/30/26, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

Year-to-date, the MSCI China Index has fallen by 15.0%, lagging the MSCI World Index which has risen by 9.7%. In China, every sector apart from Information Technology made a negative contribution to index returns. The largest drags came from Consumer Discretionary and Communication Services, which include Alibaba and Tencent respectively. Both companies were initially viewed as potential beneficiaries of the AI buildout. However, higher capital expenditure and increasing questions over the returns on these investments have weighed on sentiment and led to share price weakness. At the same time, the emergence and listing of more direct AI-related companies, including Zhipu (via Knowledge Atlas) and MiniMax, has given investors more pure-play exposure to AI. This has contributed to a valuation de-rating for both Tencent and Alibaba.

Consumer stocks more broadly have also been weak. Soft retail sales have translated into poor revenue growth for many consumer companies, while e-commerce platforms exposed to food delivery remain engaged in subsidy-driven competition, putting further pressure on earnings.

By contrast, Information Technology was the only bright spot in the MSCI China Index, benefiting from the AI infrastructure buildout, the associated upward earnings revisions and higher valuations.

The 21.5% return for Information Technology in the MSCI China Index understates the strength of the onshore rally, as eligible A-shares are only partially represented in the index. Information Technology in the MSCI China A Onshore Index rose 74.0% over the same period.

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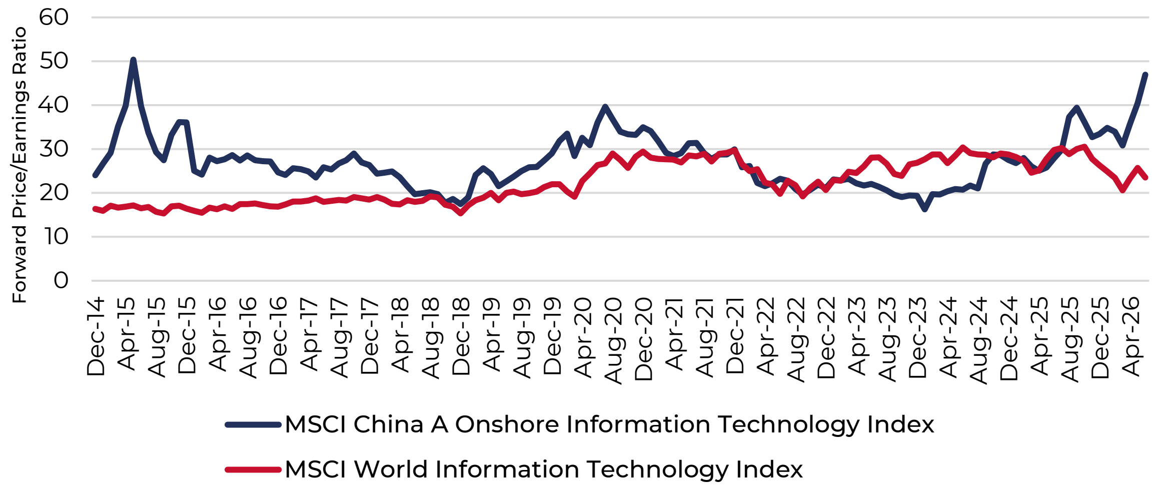
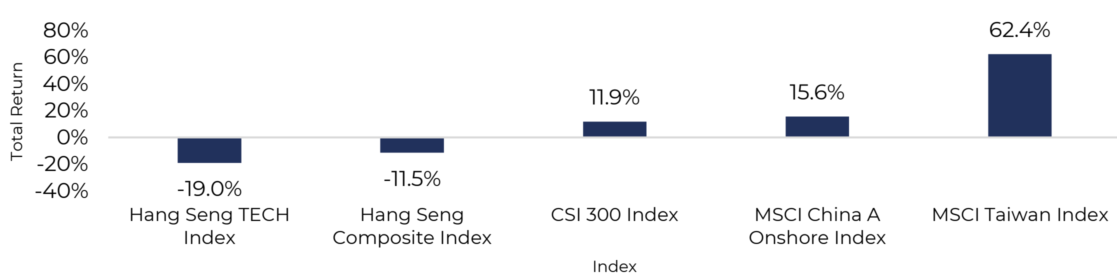
China A-Share Technology Valuations Have Risen Well Above Developed Markets



(Data from 12/31/14 to 06/30/26, source: Bloomberg, Guinness Atkinson calculations)

The chart above compares the forward price/earnings ratio of the Information Technology sector in the onshore market with that of developed markets, represented by the MSCI World Information Technology Index. Since March, the valuation of A-share technology stocks has risen sharply from 30.8x to 46.9x forward earnings, while the developed-market sector has re-rated more moderately from 20.6x to 23.5x. A-share technology therefore now trades at almost twice the valuation of its developed market counterpart and near the extremes last seen during China's 2015 equity market bubble. This suggests that much of the recent performance has been driven by multiple expansion rather than earnings growth alone. In our view, current valuations are factoring in sustained AI investment, rapid earnings growth and resilient margins, leaving relatively little room for disappointment should growth expectations moderate or investor sentiment weaken.

Returns by Local Market Year-to-Date



(Data from 12/31/25 to 06/30/26, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

Offshore markets, as measured by the Hang Seng Composite, have fallen by 11.5% year-to-date. Meanwhile onshore markets, as measured by the MSCI China A Onshore Index, rose by 15.6%. Much of this divergence can be explained by the rotation away from AI model providers and internet platforms towards component manufacturers and infrastructure beneficiaries. The offshore market has large exposure to Alibaba and Tencent, which as discussed earlier, have fallen as investors questioned the returns on their AI investments. By contrast, the onshore market includes many of the power, semiconductor and infrastructure names that have benefited directly from the AI buildout.

Stock Performance

Largest Contributors to Performance Year-to-Date

Weichai Power (total return +79.5%) is a leading manufacturer of engines and power systems used in heavy trucks, construction machinery and power generation. The shares rose as investors focused on the company's growing exposure to AI data center infrastructure, where its large engines provide backup and continuous power. Demand has increased rapidly, while Weichai is expanding capacity and developing diesel, natural gas and fuel-cell solutions to address a wider range of data center requirements. This business is expected to generate higher margins than the company's traditional domestic engine operations and create recurring demand for parts and servicing. We believe the emerging data-center power business provides an attractive new source of structural growth alongside Weichai's established industrial operations.

Hangzhou First Applied (total return +24.6%) is the world's largest manufacturer of solar encapsulation film, which is used to protect solar modules. Its primary raw material is a derivative of oil and gas, and developments in the Middle East have led to a significant increase in input costs. In the short term, First Applied benefited from its leading market share, allowing it to raise prices. In addition, the company was selling inventory produced at lower historical costs into a higher price environment, providing a temporary increase to margins. But with inventory days of about 54, this benefit is likely to be short-lived. As inventories are replenished at higher spot prices, the margin uplift is expected to normalize. Looking beyond the short term, higher input costs have historically been associated with higher solar film prices, suggesting that the company may be able to pass on higher costs to customers. At the same time, smaller competitors who are already under pressure from industry oversupply and weak profitability may struggle to do the same. This could accelerate industry rationalization and provide First Applied with an opportunity to further consolidate market share.

Hongfa Technology (+18.1%) is the world's largest relay manufacturer, supplying components used across electric vehicles, energy storage, industrial equipment, power grids and household appliances. The shares rose as strong demand across its main end-markets and successful price increases improved the outlook for revenue and margins. Higher silver and copper prices put pressure on profitability but Hongfa was able to pass much of the increase on to customers without materially affecting orders, demonstrating the strength of its market position. Demand was particularly strong for high-voltage relays used in electric vehicles and energy-storage systems, while newer products such as film capacitors and power-distribution equipment provided additional growth. The market also focused on the longer-term opportunity from AI data centers, where a shift towards high-voltage power systems could create demand for Hongfa's relays and control products.

Largest Detractors from Performance Year-to-Date

Suofeiya Home Collection (-40.5%) is a leading Chinese manufacturer of customised cabinets and home furnishings. The shares fell as the prolonged property downturn continued to weigh on housing transactions and household confidence. Policy support also weakened, as Suofeiya's core furniture and cabinetry products are not covered by this year's national trade-in subsidy scheme. First-quarter revenue declined 25% and the company reported a small loss compared with a profit in the prior-year period, as weaker demand reduced operating leverage. Suofeiya is seeking to reduce its reliance on new home demand by expanding into existing home renovation, but this has not yet been sufficient to offset continued weakness in sales linked to new properties. Despite poor earnings momentum, we believe the valuation is too low for a business that continues to generate a cash return above its cost of capital. The shares also offer an attractive dividend yield of ~9%.

Shenzhou International (-34.5%) is one of the world's largest vertically integrated apparel manufacturers, producing sportswear and casualwear for major global brands. The shares fell as weaker demand in China and uneven ordering from key customers weighed on shipments during the first half. Adidas and Uniqlo orders remained relatively resilient while demand from Nike and Puma was softer. Interim results may show moderately lower revenue and greater pressure on profits, reflecting lower production efficiency, rising input costs and the sharing of US tariff costs with customers. The company's 2025 results had already shown some of these pressures, with customers absorbing only part of the additional tariff burden. Looking ahead, order momentum is expected to improve in the second half of the year as demand recovers and short-term disruption eases. Shenzhou is also continuing to expand production outside China, including additional capacity in Vietnam, Cambodia and Indonesia. This should improve production flexibility and reduce the company's exposure to changes in trade policy.

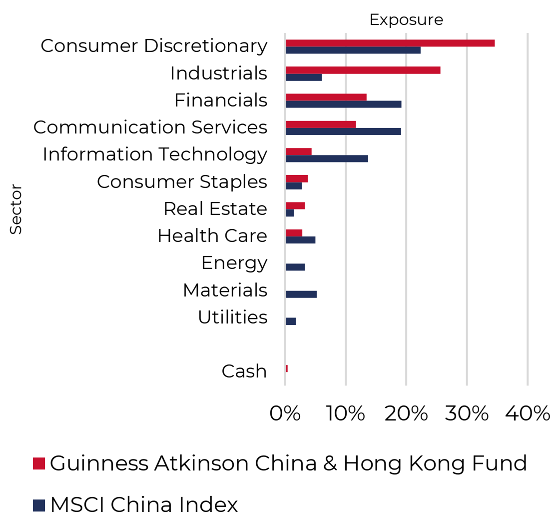
Alibaba (-34.9%) detracted from performance as the market focused on the near-term cost of its AI and quick-commerce investment cycle. Cloud growth has accelerated and Alibaba remains one of China's strongest AI platforms, but this has come with higher capital expenditure and model training costs associated with Qwen, alongside greater promotional spending in quick commerce. At the same time, market attention has shifted away from large-cap internet platforms and towards component and hardware manufacturers in the onshore market. The core China commerce business also continues to face a weak consumption environment. As a result, investors have become more cautious on the timing and scale of returns from Alibaba's AI investment, while broader China internet weakness and US-China technology tensions added further pressure to the shares. Although Alibaba is one of the largest stocks in Chinese markets, the Fund's equally weighted approach helped limit the impact of the share price weakness. At current valuations, we believe the market is more than discounting these concerns, leaving scope for the stock to recover if sentiment improves towards large-cap offshore technology companies.

ICHKX
China & Hong Kong Fund
July 2026 Update

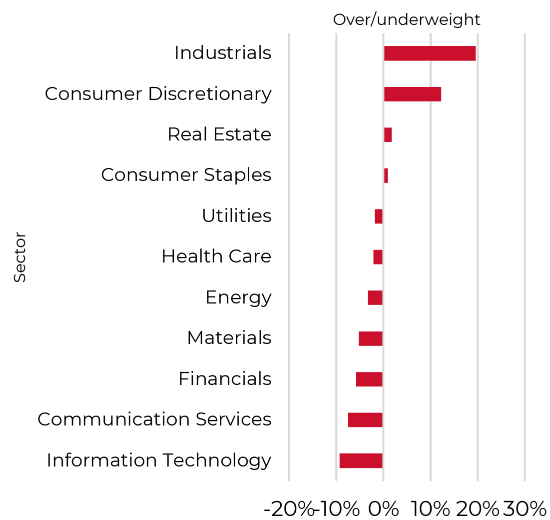
Portfolio Positioning

On a sector basis, the Fund's largest exposures are to the Consumer Discretionary, Industrials and Information Technology sectors. Relative to the MSCI China Index, the Fund is overweight in Industrials and Consumer Discretionary. The Fund is underweight in Information Technology and Communication Services.

Fund Sector Allocation vs MSCI China Index



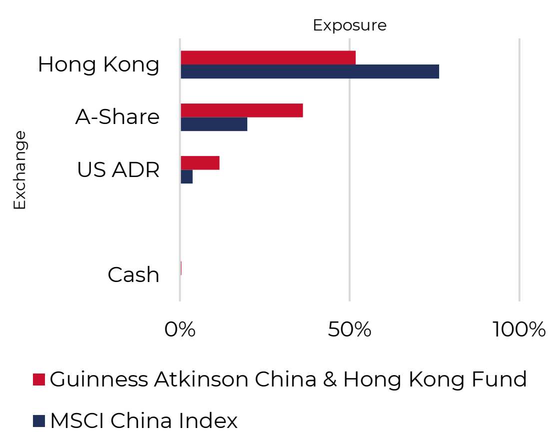
Fund Over/Underweights Relative to MSCI China Index



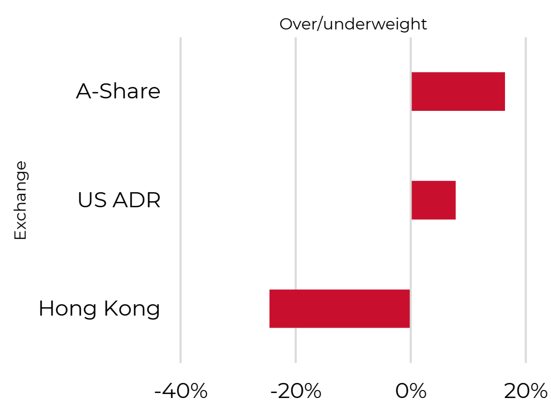
(Data as of 06/30/26, source: Guinness Atkinson calculations, Bloomberg)

On a listing basis, the Fund has 52% exposure to stocks listed in Hong Kong and 36% exposure to the A share market. Relative to the MSCI China Index, this makes the Fund 16% overweight to the A share market and 25% underweight to stocks listed in Hong Kong.

Fund Allocation vs MSCI China

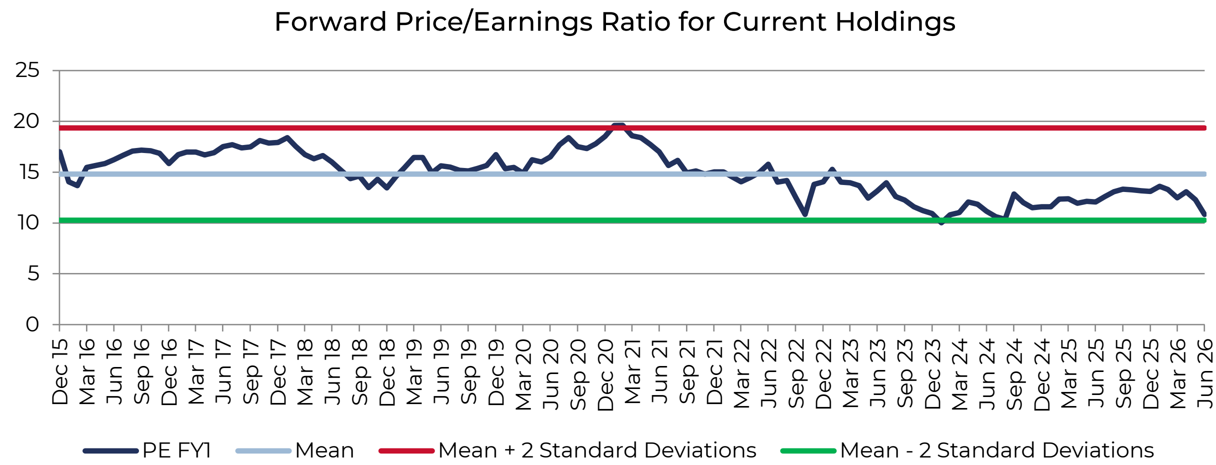


Fund Over/Underweights Relative to MSCI China Index

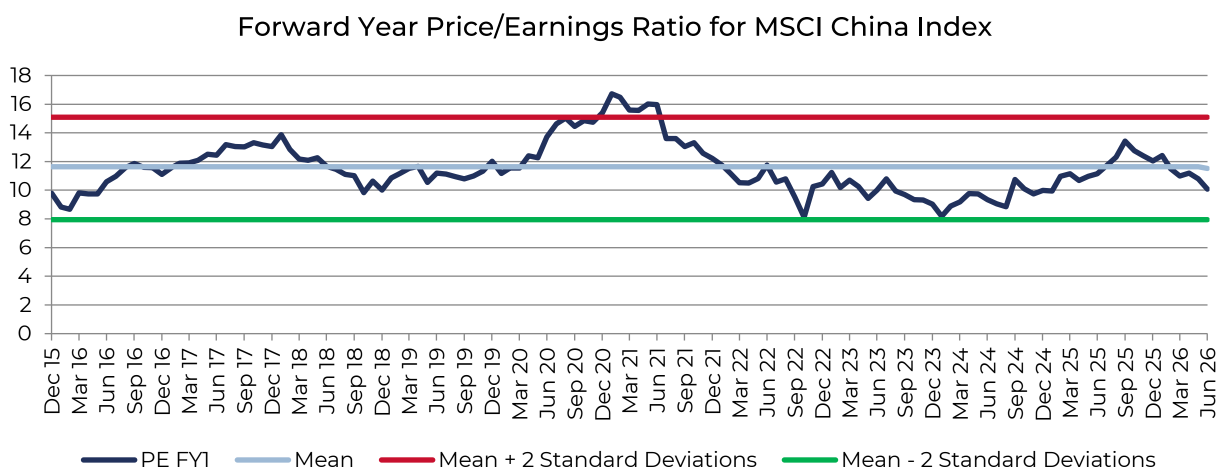


(Data as of 06/30/26, source: Guinness Atkinson calculations, Bloomberg)

Outlook

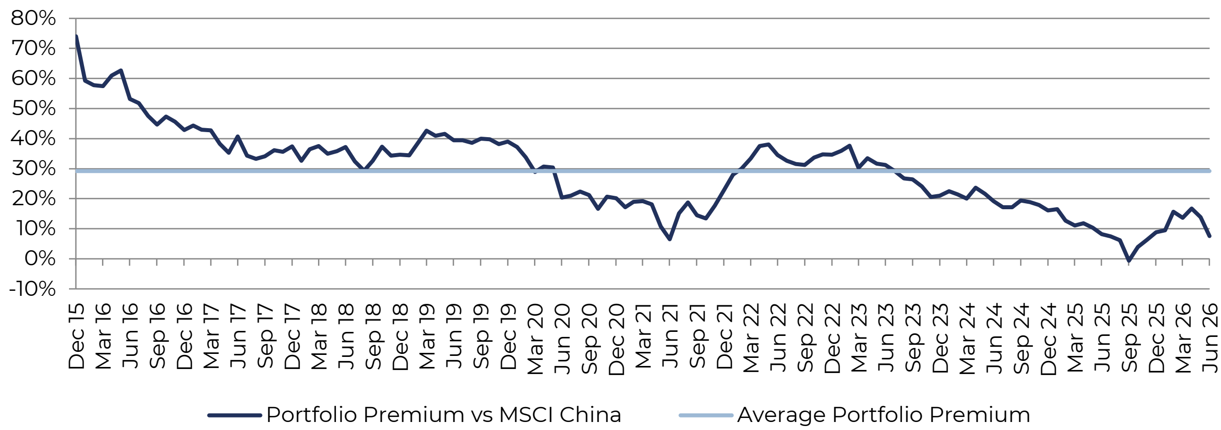


(Data from 12/31/15 to 06/30/26, source: Bloomberg, Guinness Atkinson calculations. Calculations assume an equally weighted portfolio)



(Data from 12/31/15 to 06/30/26, source: Bloomberg, Guinness Atkinson calculations)

Current Holdings' Premium vs MSCI China Index



(Data from 12/31/15 to 06/30/26, source: Bloomberg, Guinness Atkinson calculations)

The Fund's quality growth holdings had begun to re-rate relative to the MSCI China Index from September 2025, but this was interrupted by a surge in enthusiasm for AI related companies in the second quarter. The Fund's valuation premium has since fallen back to 8%, compared with a long-term average of 29%, while the Fund's current holdings trade on 10.8x forward earnings, below their long-term average of 14.8x. With valuations in parts of the AI market now requiring very optimistic growth assumptions, we do not expect the current concentration of returns to persist indefinitely. As enthusiasm moderates, we believe investor attention should broaden towards cheaper parts of the market, including Industrials and Consumer Discretionary where the Fund is overweight. This creates an attractive starting point for long-term investors.

Onshore AI-related companies have risen sharply, supported by strong investment in computing infrastructure, domestic supply chain localisation and upward earnings revisions. But in many cases, the share of these companies' current valuations that depends on growth still to be delivered has returned to levels last seen at the peak of Chinese markets in 2021. That was a period defined by globally low interest rates and, with the benefit of hindsight, excessive market optimism. We believe the long-term opportunity is genuine, but valuations in parts of the market now require the investment cycle to remain strong, earnings to grow rapidly and margins to stay resilient. At these levels there is limited protection if expectations are not fully met. We are therefore maintaining our valuation discipline rather than increasing exposure simply because these companies have recently performed well.

Our investment process begins with quality as we look for companies capable of earning returns on capital above their cost of capital and sustaining those returns over time. We then assess whether the business is exposed to a structural growth opportunity and whether the current valuation leaves sufficient upside. On this basis, we currently see better risk-reward in selected Industrials and Consumer Discretionary companies than in the most highly valued parts of the technology sector.

Within Industrials, several holdings provide exposure to the power and infrastructure requirements created by data center expansion. These include companies supplying backup generators, gas turbine components, grid equipment and relays. Demand should benefit from the need for reliable power generation and distribution but these businesses generally trade at materially lower valuations than direct AI beneficiaries.

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Consumer Discretionary continues to face a difficult short-term environment, reflecting weak confidence, the prolonged property downturn and subdued retail sales growth. However, valuations increasingly appear to discount a continuation of these conditions indefinitely. Many of the Fund's consumer holdings retain strong market positions, healthy balance sheets and the ability to generate cash returns above their cost of capital. Taking a longer-term view, as China continues to move up the value chain and incomes rise, we believe the addressable market for our consumer companies is likely to increase. We believe leading consumer companies are therefore being valued too cheaply relative to their long-term cashflow potential.

This positioning may continue to lag while market returns remain concentrated in a narrow group of highly valued AI-related companies. However, we believe the portfolio offers a better balance between participation in China's structural growth opportunities and protection against overly demanding expectations. Over the longer term, we expect returns to be driven by the growth and compounding of cashflows rather than continued multiple expansion.

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

Performance

Year-to-date, relative to the MSCI China Index, areas which helped the Fund's performance were:

- The structural underweight to Tencent and Alibaba. The Fund is run on an equally weighted basis and so each position has a neutral weight of about 3.3%. As Tencent and Alibaba underperformed, the structural underweight position benefited the Fund in relative terms.
- A combination of the overweight in Industrials and stock selection, driven by Weichai Power.
- The underweight to Materials which underperformed.

Year-to-date, areas which detracted from the Fund's relative performance were:

- The underweight in Information Technology, which significantly outperformed.
- The underweight to Financials which outperformed, as well as stock selection driven by China Merchants Bank, AIA Group and Hong Kong Exchanges and Clearing.
- Stock selection in Healthcare, driven by Sino Biopharmaceutical.

As of 6/30/2026	YTD	1 Year	3 Years	5 Years	10 Years
China & Hong Kong Fund (ICHKX)	-10.95%	2.82%	1.41%	-7.69%	2.92%
MSCI China Net Total Return Index	-14.97%	-4.94%	7.74%	-6.62%	4.34%

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.

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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.

The price-to-earnings (P/E) ratio is the proportion of a company's share price to its earnings per share (EPS)

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.

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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 6/30/2026:

1.	Hongfa Technology Co Ltd	4.90%
2.	Hangzhou First Applied Materials	4.38%
3.	Tencent Holdings Ltd	4.31%
4.	Midea Group Co Ltd	4.14%
5.	Weichai Power Co Ltd - H Shares	3.96%
6.	NetEase Inc - ADR	3.78%
7.	Inner Mongolia Yili - A Shares	3.73%
8.	AIA Group Ltd	3.69%
9.	Baidu Inc	3.63%
10.	Shenzhen Inovance Technology Co Ltd.	3.55%

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

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