# DIVS

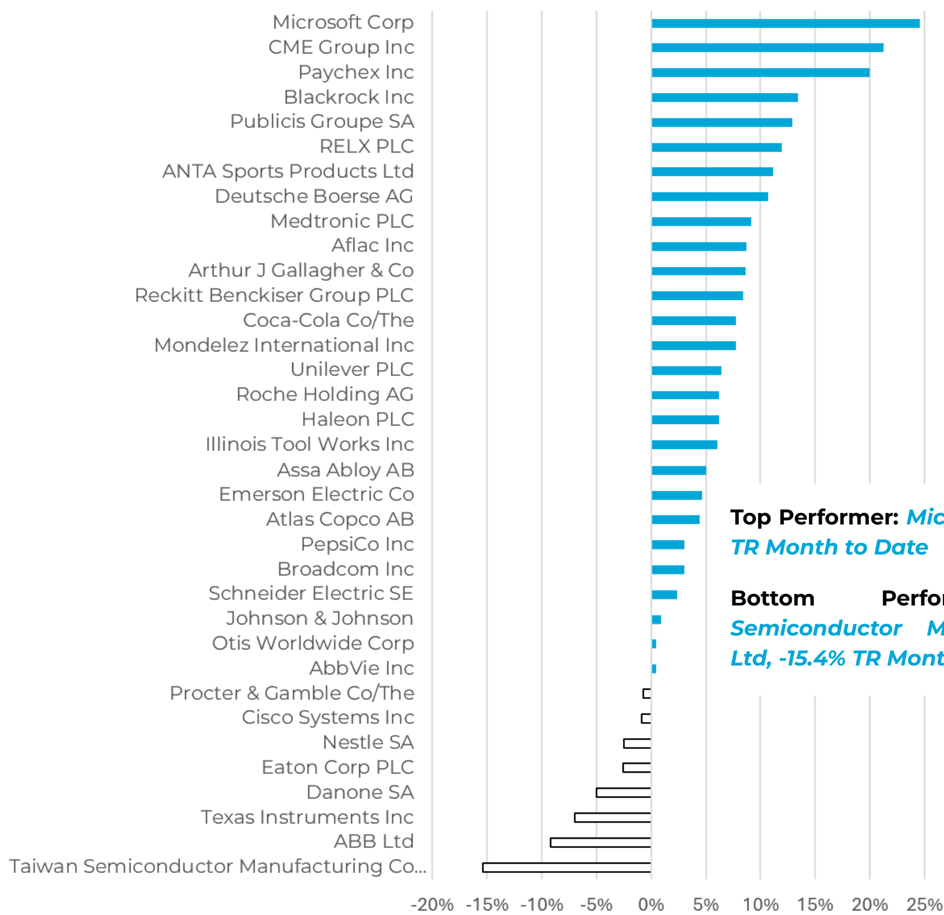
## Guinness Atkinson Dividend Builder ETF
August 2026 Update

GUINNESS ATKINSON FUNDS

## Portfolio Performance
as of 07/31/2026

In July, DIVS was up 4.32% (NAV basis, 4.45% market price)[1], while the MSCI World Index benchmark was at 0.51%. The largest contribution to Fund relative performance was stock selection within Industrials, with a recovery in performance from companies hit by the software-related AI sell-off earlier in the year (Paychex +19.7% USD, RELX +11.7% USD) aiding relative performance. The wider Industrial sector underperformed the benchmark, however, and our overweight to the sector (27.5% vs 11.5%) therefore acted as a drag from an allocation perspective.

**DIVS – Individual Stock Performance – July 2026 Total Return in USD**




**Top Performer:** ***Microsoft Corp, 24.6% TR Month to Date***

**Bottom Performer:** ***Taiwan Semiconductor Manufacturing Co Ltd, -15.4% TR Month to Date***

Holdings are subject to change. Go to www.gafunds.com/our-funds/DIVS for current holdings.

[1] *Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund 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 data quoted. Performance data current to the most recent month-end may be obtained by visiting gafunds.com, or calling (866) 307-5990. The returns shown are cumulative for the period, not annualized. Market prices return is based on the market price of Fund shares as of the close of trading on the exchange where the shares are listed.*

During July, the Fund's performance versus the benchmark can also be attributed to:

- At the portfolio level, asset allocation effects were approximately neutral, with stock selection accounting for the majority of relative Fund outperformance versus the benchmark.
- We also saw positive stock selection within the IT sector, with four of the Fund's five holdings outperforming the sector in the month. Microsoft (+24.6% in USD) rallied strongly as the market reacted positively to its earnings release. IT was also the weakest sector in the period, down 4.1% (in USD), making the Fund's underweight (17.5% vs 29.2%) a positive in asset allocation terms.
- Stock selection was also positive in Financials, with all five holdings outperforming the sector. CME was a stand-out, up 21.3% (in USD), recovering as worries around competition from new entrants ebbed.
- Stock selection and allocation were both positive in Consumer Staples. The sector performed strongly as markets shifted in defensive direction, to the benefit of the Fund's overweight position (20.9% vs 5.1%). There were also good results from a number of holdings (Coca-Cola +7.8%, Mondelez +7.7%, Reckitt +8.2%, Unilever +6.2%, all in USD).
- Healthcare also saw positive stock selection and allocation effects, with the sector also benefiting from its defensive characteristics in the month.
- The Fund's zero weighting to Energy detracted from relative performance as the sector rose 12.4% USD over the month, supported by continued news flow surrounding the US-Iran conflict.

| As of 07/31/2026 | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception (03/30/2012) |
|---|---|---|---|---|---|---|
| *DIVS at NAV* | 11.70% | 16.23% | 13.18% | 9.68% | 11.54% | 11.01% |
| *DIVS at Market Price* | 11.87% | 16.45% | 13.02% | 9.68% | 11.53% | 11.00% |
| *MSCI World Index NR* | 10.26% | 20.41% | 18.12% | 11.18% | 12.72% | 11.48% |

| As of 06/30/2026 | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception (03/30/2012) |
|---|---|---|---|---|---|---|
| *DIVS at NAV* | 7.08% | 9.79% | 12.32% | 9.27% | 11.49% | 10.75% |
| *DIVS at Market Price* | 7.10% | 9.57% | 11.96% | 9.20% | 11.46% | 10.73% |
| *MSCI World Index NR* | 9.69% | 21.34% | 19.22% | 11.47% | 13.13% | 11.52% |

All returns over 1 year annualized. Expense Ratio: 0.45% (net) | 0.98% (gross)

The Adviser has contractually agreed to reduce its fees and/or pay ETF expenses in order to limit the Fund's total annual operating expenses to 0.45% through June 30, 2029.

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Effective as of the close of business on March 26, 2021, the fund acquired the assets and assumed the performance, financial and other historical information of the Guinness Atkinson Dividend Builder Fund, an open-end mutual fund (incepted March 30, 2012). The fund's investment objectives, strategies and policies are substantially similar to those of the predecessor mutual fund and it was managed by the same portfolio managers. Performance information for periods prior to March 26, 2021 is the historical performance of the predecessor mutual fund and reflects the higher operating expenses of the predecessor mutual fund. The fund has lower expenses than the predecessor mutual fund. For periods prior to March 29, 2021, the fund's performance would have been higher than shown had it operated with the fund's current expense levels.

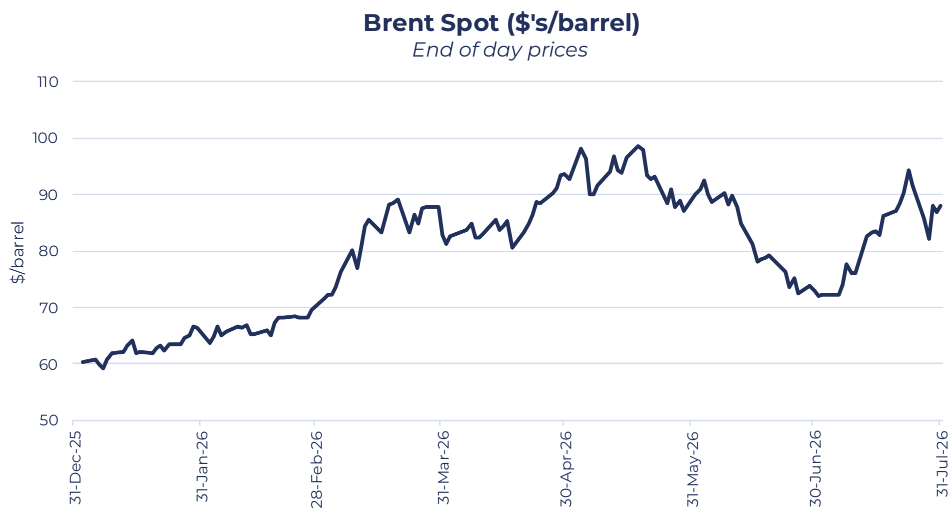
A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded.

Past performance is no guarantee of future results. Index performance is not illustrative of fund performance. One cannot invest directly in an index.

## July in Review

**Iran, Inflation & Interest Rate Expectations**

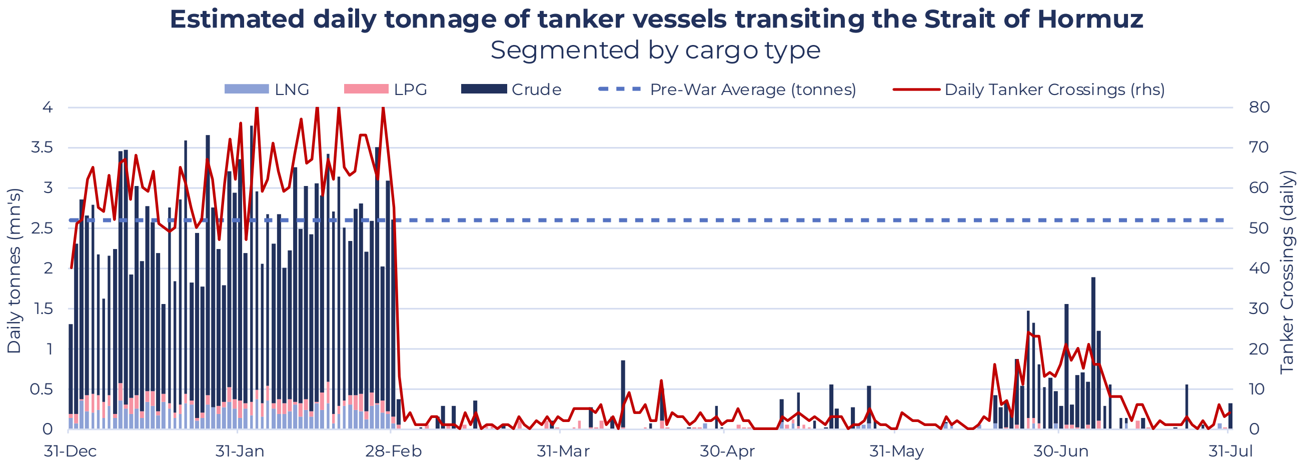
At the end of the second quarter, we highlighted that a de-escalation in the Iran war – formalized through a Memorandum of Understanding (MOU) between the United States and Iran – had allowed Brent crude oil to return to close to its pre-war level of about $70 per barrel. July subsequently brought a renewed cycle of escalation and de-escalation. Brent briefly breached $95 per barrel before retreating towards $90 by month-end.




*Source: Guinness Atkinson, Bloomberg, 31st July 2026*

Chris Giles of the *Financial Times* pointed out that energy markets appear to be in "some sort of bounded equilibrium". When energy prices rise, President Trump has shown a tendency to retreat – indicating a limit to his tolerance of pressures on fuel prices. Conversely, when prices are falling, Iran appears incentivized to reassert further influence and control over the Strait of Hormuz, prompting renewed hostilities and a rebound in energy prices. On this theory, we may have to expect elevated (although bounded) fuel prices for some time yet.

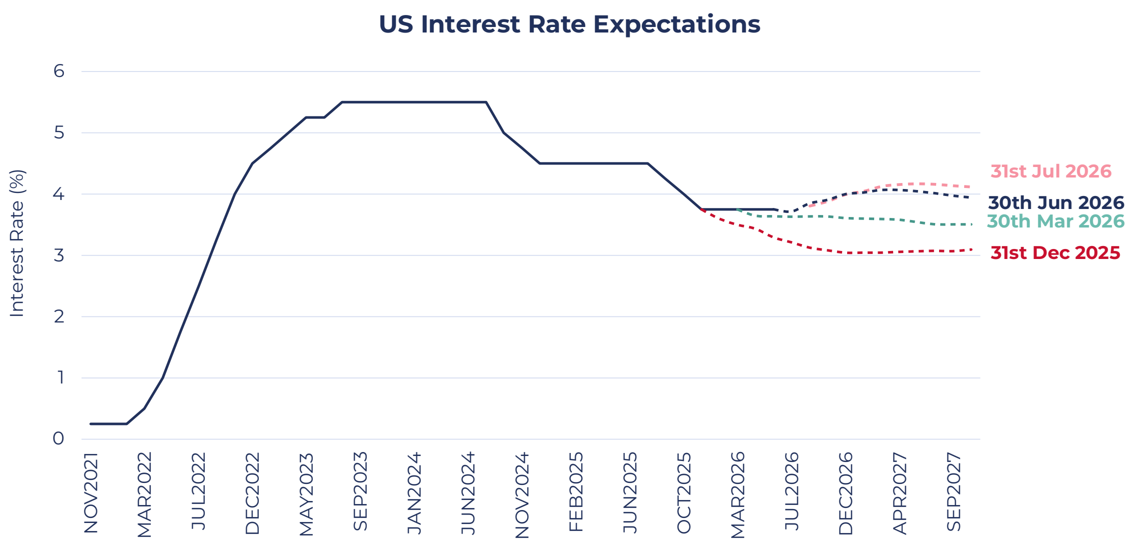
The chart below shows the daily tonnage (of crude oil, liquefied natural gas (LNG) and liquefied petroleum gas (LPG)) transiting the strait of Hormuz and the number of tankers. An interesting observation is that despite the supply shock, which essentially disrupted 20% of the flow of global oil, spot prices were still able to come close to their pre-war level at the end of June – even while shipping remained significantly disrupted. Pre-war, the daily average tonnage of LNG, LPG and crude oil was just over 2.5m. A large percentage of this was able to return remarkably quickly following the MOU – approximately half of this level returned within a week. Nevertheless, the recovery remained uneven: crude flows returned more quickly than LNG and refined-product traffic, and overall vessel movements remained well below normal.




*Source: Guinness Atkinson, Bloomberg, 31st July 2026*

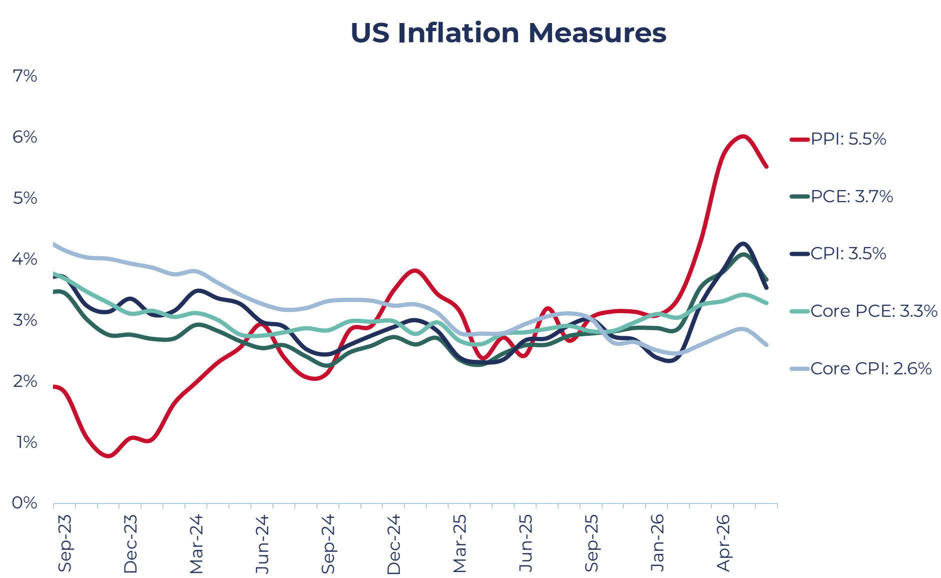
The important point is that oil prices fell much faster than physical shipping activity recovered. This suggests that the market increasingly viewed the disruption as a logistical constraint rather than an outright and permanent loss of supply. Inventories have been providing a temporary buffer, while higher US exports, weaker Chinese demand and the rerouting of some Gulf production reduced the number of barrels removed from the global market. Together, these factors are likely to have been a reassuring factor for markets – particularly when it comes to anchoring long-term inflation expectations.

With Brent rising by 20-25% during July, it might have been reasonable to expect a meaningful repricing of interest-rate expectations, particularly alongside increasingly hawkish or aggressive commentary from the Federal Reserve. However, this did not occur. Implied expectations moved relatively little over the month, with markets expecting rates to end the year at 4.0%. This would imply one rate hike of 0.25 percentage points from today's level.




*Source: Guinness Atkinson, Bloomberg, 31st July 2026*

Part of the explanation was June's inflation release. On most measures, US inflation appeared to have peaked in May, with the decline in energy prices during June producing meaningful disinflation. The headline consumer price index (CPI) fell by approximately 0.4% month-on-month, while core price measures were considerably more subdued.




*Source: Guinness Atkinson, Bureau of Labor Statistics, Bureau of Economic Analysis, 31st July 2026*

The Federal Reserve made clear that one favorable inflation release did not amount to "mission accomplished". Its communication remained focused on restoring price stability, and the July meeting appeared to mark the end of the previous easing bias. The message was that policy would remain restrictive until it had greater confidence that inflation was moving sustainably towards target.

However, this hawkish shift was counterbalanced by the composition of the inflation data. Looking at the month-on-month figures, two observations stand out. First, energy has been the dominant source of recent headline inflation volatility. This matters because central banks generally look through the immediate or 'first-round' impact of an energy shock unless it begins to influence wages, services prices and inflation expectations. Second, and more importantly, there has so far been limited evidence of that second-round transmission. Energy inflation has not propagated meaningfully into goods, food or services. In June, core CPI was approximately flat on a month-on-month basis, while services inflation was at its weakest level since the pandemic.

This helps explain why rate expectations remained comparatively stable. Investors appear to have concluded that the rise in oil prices represented a volatile supply shock rather than the beginning of another inflation cycle. Higher energy prices can weaken household purchasing power and economic activity, and therefore create a partially offsetting disinflationary effect elsewhere in the economy. For example, consumers may trade down to private-label products rather than continue to purchase premium brands. In other words, the shock raised near-term headline inflation but did not necessarily justify a materially higher path for interest rates.

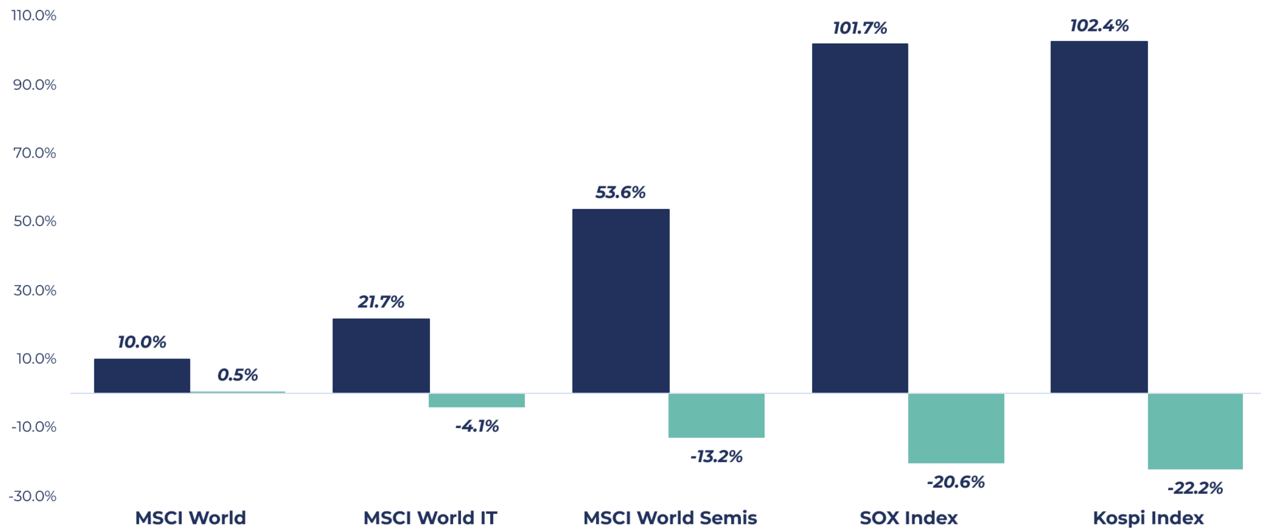
The central question is whether elevated prices persist for long enough to affect wages, business pricing decisions and longer-term inflation expectations. To date, the evidence suggests that the shock has remained concentrated in energy. That has allowed markets to absorb both higher oil prices and a more hawkish Federal Reserve without substantially changing the expected path of interest rates.

**A sharp correction within the semiconductor industry**

July saw a sharp rotation away from some of the year's biggest winners: AI and semiconductor equities. Highlighted in the chart below, the contrast in equity performance between H1 2026 and July was stark. The SOX (a semiconductor index) rose 101.7% in H1, while MSCI World Semiconductors gained 53.6%, before falling 20.6% and 13.2% respectively in July. The rotation reflected three key pressures: rising skepticism over hyperscaler capital expenditure and the lack of clear returns on investment (ROI), extreme crowding in semiconductor positions, and a broader momentum unwind. Heavy hedge fund exposure made the trade particularly vulnerable, with losses and forced selling at funds such as Situational Awareness adding to deleveraging pressures. As sentiment weakened, investors quickly reduced exposure to the year's strongest AI and chip winners, with the KOSPI (the South Korean index) especially exposed through its concentration to memory names Samsung Electronics and SK Hynix.

**IT and Semiconductors saw a significant shift in performance over July**

*H1 vs July Total Return*

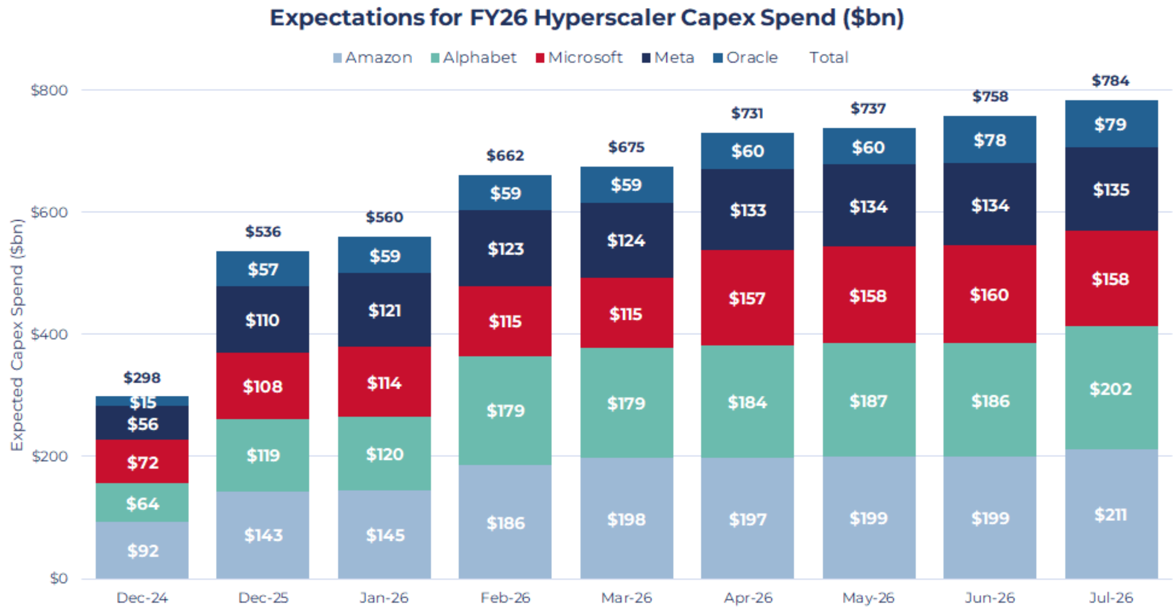



*Source: MSCI, Bloomberg. Data in USD as of 07.31. 2026*

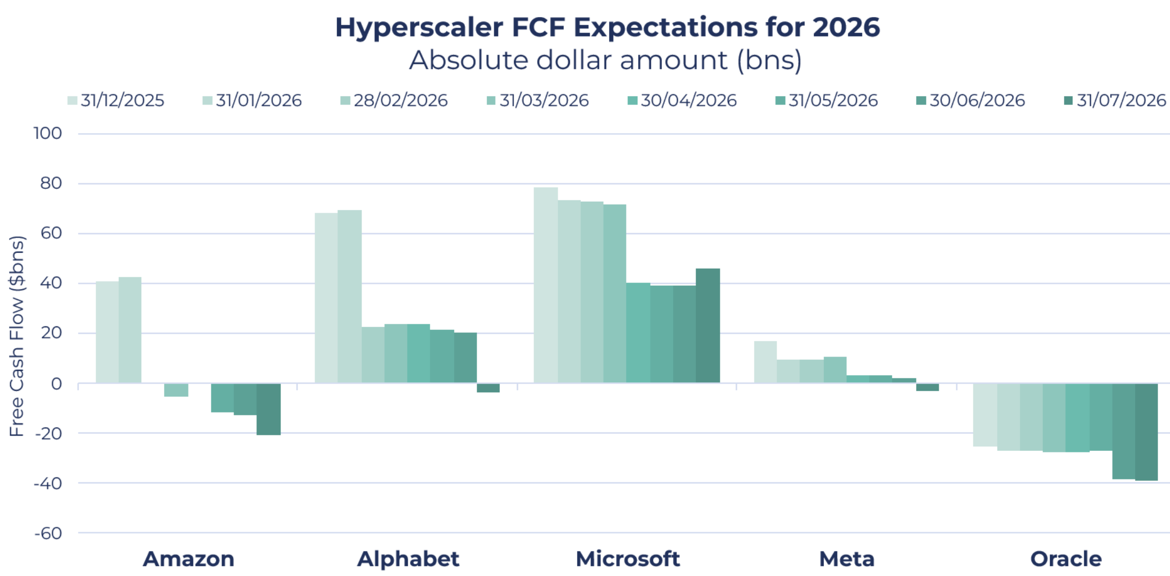
**Fears of an overbuild**

Much of the AI trade has rested on the continued build-out of AI datacentres and related spending by the major cloud hyperscalers. Historically, these businesses have been relatively capital-light, benefiting from recurring revenues, high margins and strong cash generation. The recent surge in infrastructure investment marks a shift in that model, materially increasing capital intensity and, arguably, changing the economics of the sector. As a result, investors are still looking for concrete signs that elevated capital expenditure (CapEx) will deliver sufficient long-term returns. Over July, these fears have only grown as hyperscaler capex expectations continued to move higher. Expected FY26 capex by Amazon, Alphabet, Microsoft, Meta and Oracle combined has risen from around $536bn in December to $784bn by July, an increase of almost 50% in just seven months. Over the same time frame, expectations for free cash flow (FCF) have fallen dramatically with all but Microsoft expected to have negative absolute FCF over 2026. The latest earnings season strengthened those expectations as three of the four main hyperscalers raised capex guidance. Amazon lifted its 2026 capex outlook to roughly $220bn, Alphabet raised guidance to $195–205bn and Meta is moving toward the upper end of its $130–145bn range.

Some enterprise customers are becoming more selective on AI deployment as token costs and ROI come under greater scrutiny. This matters directly for semiconductors because the current supercycle is predicated on hyperscalers continuing to demand ever-greater volumes of GPUs (graphics processing unit), HBM, networking equipment and data-center components. If those investments fail to generate adequate returns, capex growth would eventually slow or be cut, weakening order growth across the semiconductor supply chain and undermining the growth embedded in current valuations. Against this backdrop, every additional capex increase raises the hurdle, helping explain July's sharp repricing of semiconductor and AI-exposed equities.



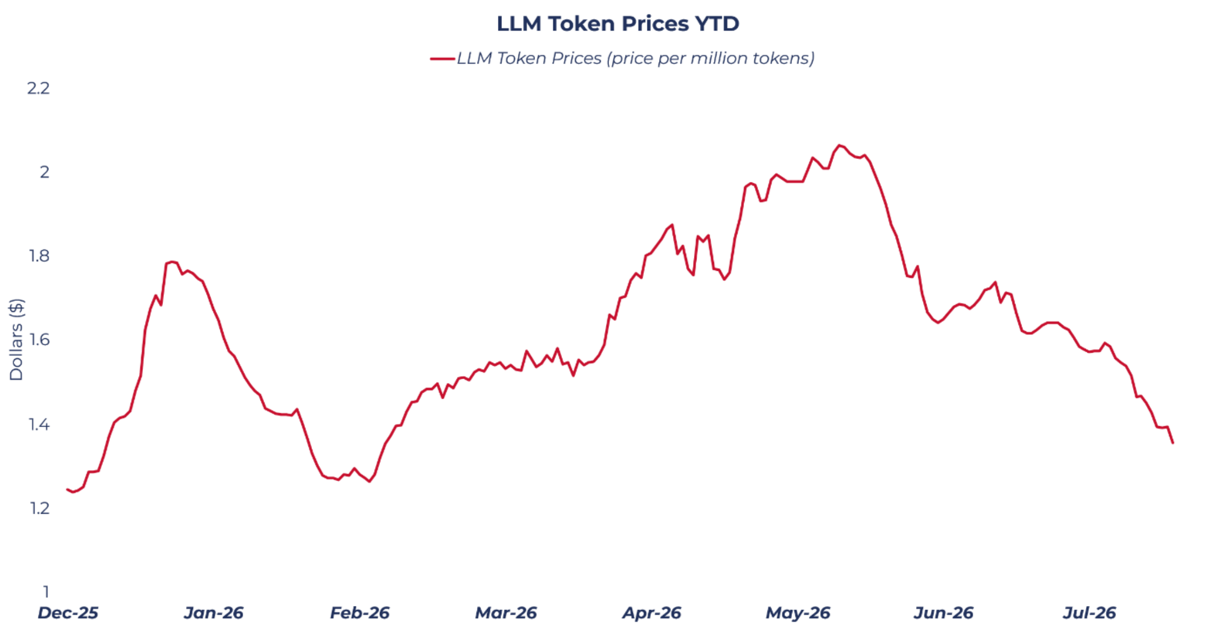

*Source: Bloomberg. Data as of 07.31. 2026*




*Source: Bloomberg. Data as of 07.31.2026*

**Cheaper compute**

Over the last few months, large language model (LLM) token prices have fallen significantly. As the chart below shows, they almost halved from their May peak by July this year. For hyperscalers, this exacerbates concerns over the economics of rising investments in GPUs, data centers and power, as lower inference pricing compresses revenue per token and reduces pricing power. The broader concern is that model capability is becoming increasingly commoditized, supported by rapid efficiency gains, greater competition and cheaper compute. These fears were amplified by the release of China's Kimi K3, which prompted another 'DeepSeek moment' as investors questioned whether competitive frontier models particularly in the US could be developed with materially greater efficiency than previously assumed. Semiconductor stocks consequently sold off: Nvidia and AMD fell more than 5% around the initial reaction, while Asian chip names also came under pressure. Cloud companies including Microsoft, Amazon and Alphabet were also caught up as investors questioned whether falling AI prices would pressure returns on their huge capex programs. That said, lower token prices are not necessarily a structural headwind. Cheaper intelligence can expand adoption, while increasingly agentic and reasoning-heavy workloads consume substantially more tokens per task, allowing volume growth to outpace falling prices.




*Source: Bloomberg. Data as of 07.31. 2026*

## Portfolio Performance

*Microsoft (+24.6% USD)*

Microsoft was the Fund's best-performing stock over July. The catalyst was an exceptionally strong earnings release which caused the stock to jump 15.5% on the day of the print. Revenue (at constant currency) grew 17% year-on-year vs 13.6% expectations, and earnings per share at +29.9% vs +16.4% expected. Operating margins were essentially flat versus last year despite the continued drag from heavy investment in AI infrastructure. Most encouragingly, Azure growth accelerated to 43% in constant currency, ahead of expectations of 41%, with management guiding for a further acceleration to 45% in the following quarter – demonstrating that demand continues to exceed available capacity. Demand is also broadening beyond the large frontier-model developers. Customer concentration risk had been a core market concern over 2026 so far, given the majority of the firm's backlog is tied to OpenAI. Commercial Remaining Performance Obligations increased 84% year-on-year to $678bn, but all sequential growth came from customers outside of this 'frontier' group. Additionally, M365 Copilot surpassed 30 million paid seats – a doubling of net seat additions since last quarter – in another demonstration of strong traction for generative AI applications.

Perhaps just as importantly for sentiment, the results contained no negative surprise on capital expenditure – and a significant positive surprise with respect to free cash flow. Capex came in $1bn below expectations, and free cash flow beat expectations by $4.7bn (free cash flow margin of 21.8% vs 17.2% expected). Investors had become increasingly concerned that Microsoft would need to raise further its already substantial spending plans of $190bn for the 2026 calendar year due to rising hardware costs. While AI infrastructure continues to place pressure on gross margins, disciplined operating expenditure and strong operating leverage have allowed Microsoft to absorb much of this impact while maintaining very high levels of profitability. Taken together, the quarter provided convincing evidence that Microsoft is beginning to monetize its AI investments at scale, helping shift the market's focus away from the cost of the build-out and towards the considerable revenue opportunity it is creating.

*ABB (-9.2% USD)*

ABB, the global industrial technology company, was the Fund's bottom-performing stock over the month. The shares came under pressure following the announcement of its proposed $5.5bn acquisition of UK-listed actuator manufacturer Rotork which came alongside a strong set of second-quarter results. Orders, revenues and operational margins were ahead of expectations and management raised full-year organic revenue growth guidance. Order momentum was particularly strong, with organic orders increasing 28% and book-to-bill reaching 1.27, materially ahead of expectations. The Electrification segment remained a stand-out, while strength was also broad-based across transport infrastructure, construction and HVAC. Despite this, ABB shares fell around 6% on the day as investors were more focused on the Rotork acquisition. The valuation, at approximately 20x EV/EBITDA (enterprise value (EV) to earnings before interest, taxation, depreciation and amortization (EBITDA)) before synergies, was viewed as relatively full, particularly given Rotork is not expected to add significantly to top-line revenues (about 3%). Sentiment was also affected by questions around capital allocation, with investors cautious about the decision to redeploy the proceeds from the Robotics divestiture (announced in 2025) into a Process Automation asset. However, Rotork specializes in actuators for controlling the flow of industrial liquids and gases and the acquisition appears strategically coherent, strengthening ABB's Automation offering by adding Rotork's actuators to its existing sensing and control capabilities and allowing it to provide a more complete solution for monitoring and managing industrial processes.

While the market reaction to the Rotork acquisition weighed on ABB's performance, we continue to view the company as a very high-quality industrial business. It continues to benefit from structural growth drivers in electrification, automation, energy efficiency and industrial resilience, supported by leading engineering capabilities, a strong brand and mission-critical products with high switching costs. The breadth of order growth in the quarter, alongside continued strength in data centers and raised full-year guidance, reinforces our confidence in the underlying earnings trajectory. Ultimately, ABB's strong competitive positions and exposure to durable secular growth trends continue to support an attractive long-term investment case.

## Themes from Earnings Season

Despite elevated expectations, markets delivered another strong earnings season. The S&P 500 experienced one of the broadest earnings beats in years as over 87% of companies positively beat consensus. Across sectors, we have identified 10 key themes which we believe characterize this season.

### Theme 1: Consumer Staples companies are pivoting their focus away from price hikes and towards volumes

*Consumer goods companies are increasingly shifting their focus towards driving volume-led growth. As post-pandemic inflation cools and consumer budgets have been tightening, some companies are experiencing the impact of volume elasticity and customer churn. Instead of pushing list prices higher, firms are pushing targeted promotions, packaging adjustments (such as smaller pack sizes), and direct price reductions to win back market share.*

***PepsiCo Executive Vice President & CFO, Stephen T. Schmitt:*** *"So if you step back, the company in the first half reported almost 7% revenue growth. And we've grown global volumes 3% in foods and 2% in beverages. That's the fastest growth in volume since 2022. Included in that is the volume growth in the U.S. foods business, which it was very strategic for us to get that category back to volume growth."*

### Theme 2: Emerging markets outperforming developed markets amid K-shaped consumer bifurcation

Distinct geographic and demographic divergence has materialised across consumer markets over Q2. Developed markets are underperforming as inflation-weary consumers reduce non-essential spending or trade down to extreme value and discount channels, particularly outside of higher-income brackets. With higher-income demand remaining robust, this has created a 'K-shaped' environment where the middle market is squeezed, leaving premium goods and private-label value offerings resilient. Emerging markets – particularly India, Brazil, and Mexico – have been showing robust growth.

***Mondelez CEO, Dirk Van de Put:*** *"In North America… Growth remains K-shaped, with consumers gravitating toward both value formats and premium, better-for-you options."*

***Unilever CFO, Srinivas Phatak:*** *"Emerging markets continued to be a strong growth engine with strong volume-led growth in the first half. In North America, we continued our volume outperformance while Europe was subdued."*

### Theme 3: Increasing focus on margin protection measures across industries

Faced with input commodity volatility, shipping bottlenecks, and rising labor rates, companies are deploying productivity measures to shield their operating margins. Firms have been using various methods such as end-to-end automation, standardization of workflows and structured cost-reduction programs. These savings are actively being used to absorb input cost inflation.

***Schneider Electric CEO, Nathan Fast:*** *"In gross margin, we see net positive outcome of 10 bps organic with strong productivity and acceleration in gross pricing on products, offset by inflationary cost, tariffs and mix. So for me, what is very, very important [is] that we continue to deliver very strong productivity, very strong industrial productivity... we are extremely pleased to report EUR535 million of industrial productivity in H1 2026."*

**Theme 4: Grid transformation and data center infrastructure demands**

The rapid expansion of artificial intelligence has been placing significant pressure on global utility grids, driving strong demand for the equipment needed to support increasingly power-intensive data centers. This earnings season provided further evidence that this trend is not slowing, with industrial equipment manufacturers continuing to report strong order growth and healthy backlog growth across power distribution equipment, medium-voltage switchgear, liquid cooling systems and technologies that help stabilize the grid. These results reinforced the attractive growth outlook for power-focused industrial companies benefiting from the continued build-out of data center infrastructure.

***Eaton CEO, Paulo Ruiz:*** *"The total US data center backlog has grown to 307 gigawatts, or 15 years of backlog, at 2025 build rates, up from 12 years since our last update... a very nice tailwind for Eaton for years to come."*

**Theme 5: Many firms caught up in the software sell-off are continuing to deliver solid fundamentals**

Many software and technology companies that came under heavy pressure during the software sell-off are proving the resilience of their core businesses, delivering solid fundamentals and showing that generative AI acts as a secular tailwind rather than an existential disintermediation threat. Incumbents have been leveraging proprietary datasets, deep customer workflow integrations, and trusted infrastructure to build highly defensible moats. Instead of being replaced, they are embedding AI directly into their core applications to deliver immediate productivity benefits, turn AI into a commercial driver, and expand their total addressable markets into labor-saving offerings.

***Arthur J Gallagher CEO, J Patrick Gallagher:*** *"For more than two decades, we've been improving productivity and quality by standardizing workflows, building our centers of excellence, and bringing more of our data together around the world. AI digitization and automation are simply the next tools in that effort... And the point is simple. These tools make our professionals faster, better informed, and more productive. But they do not replace judgment, advocacy, relationships, or accountability to our clients."*

**Theme 6: Transition toward value-based, hybrid, and consumption-based pricing models**

To capture returns on investment from AI capabilities and cover underlying compute costs, we have seen an increased number of software and IT services companies transitioning away from flat subscription models toward usage-based and value-based pricing. This includes monetising AI via 'stair-step' consumption charges, outcome-based pricing (such as billing per completed AI task), per-seat-plus-consumption hybrids, or charging based on autonomous "agent work units". This ensures that software firms capture a direct share of the economic value – and is tackling the market fear of AI's impact on seat-based models.

***LSEG CEO, David Schwimmer:*** *"AI Search is included in the Workspace subscription with the value reflected in the annual price review, but will also be subject to a fair use policy, reflecting a certain number of prompts per month. Above that, there will be additional usage-based charges. We are positioning Deep Research as a premium add-on with usage-linked tiers."*

**Theme 7: Continued growth in hyperscaler capex is being met with increased scrutiny by the market**
Hyperscaler capex plans are continuing to expand as they build out massive physical data center footprints and purchase advanced semiconductor hardware to train and run AI models. However, markets have increasingly shown weaker enthusiasm for this high level of capital spending. Investors are expressing concerns over near-term margin pressure, negative free cash flow metrics, and rising depreciation costs, demanding clearer visibility on immediate AI revenue generation or AI-driven margin expansion.

***Alphabet CFO, Anat Ashkenazi:*** *"Moving to investments. We are updating our full year 2026 capex guidance range to $195 billion to $205 billion, up from our previous estimate of $180 billion to $190 billion. The increase in the range is primarily due to an acceleration in the delivery of capacity to meet growing demand. As we previously shared, we continue to expect our capex to increase significantly in 2027".*

**Theme 8: AI and high-performance compute hyper-growth**
Earnings season provided further evidence that the semiconductor investment cycle remains exceptionally strong, with AI-related demand continuing to support elevated spending across leading-edge logic, memory and advanced packaging. Rather than showing signs of moderation, chipmakers continued to signal robust growth in capital expenditure plans, while semiconductor equipment suppliers reported healthy order momentum and backlogs. The results reinforced the view that investment in the manufacturing capacity required for AI and high-performance computing remains a powerful source of growth for the semiconductor industry.

***AMD Chair and CEO, Dr. Lisa Su***: *"Data center revenue more than doubled year-over-year and now represents 58% of total revenue, up from 42% a year ago, reflecting the rapidly expanding scale of our server and data center AI businesses... the overall data center market opportunity is expanding far more rapidly than we projected just six months ago. As AI moves into production across a broader range of applications and workloads, demand for both accelerators and CPUs is growing well above our prior expectations."*

**Theme 9: Memory chip supply significantly below demand**
The semiconductor industry is experiencing significant supply shortage in advanced memory architectures, specifically High-Bandwidth Memory (HBM), standard DRAM (dynamic random-access memory), and NAND (non-volatile storage) upgrades, which are essential to feed high-power AI accelerators. While this represents a major revenue driver for memory and equipment manufacturers, it has introduced severe component cost headwinds for hardware device makers. High memory inflation is compressing product gross margins for consumer hardware companies, forcing them to implement selective price hikes to offset commodity pressures and preserve profitability.

***Apple CEO, Tim Cook:*** *"we expect the impact from supply constraints to increase significantly sequentially. The projected supply constraints in the September quarter affect iPhone, Mac, and iPad... we've got a quarter that we're going to be scrambling on the supply side".*

***Lam Research CEO, Tim Archer****: "Sequential top line growth was led by a doubling of NAND revenue from the prior quarter, underscoring the growing importance of storage to AI system performance."*

**Theme 10: Financial exchanges and platforms benefiting from volatility**

Macroeconomic uncertainty, changing interest-rate expectations and geopolitical tensions kept financial market volatility elevated during the first half of 2026. This encouraged investors to reposition their portfolios, increasing trading in shares and cash bonds, while also driving greater use of derivatives for hedging. For derivatives exchanges, this supported strong volumes in products such as short-term interest-rate futures, energy options and agricultural contracts. Because hedging demand often rises during periods of market stress, these exchanges can generate relatively resilient and counter-cyclical revenues.

***CME Chairman and CEO, Terry Duffy:*** *"The first half of 2026 was the strongest in CME Group's history... powered by record trading in Q1 and our second-highest Q2 volumes ever."*

We thank you for your continued support.

**Portfolio Managers**

Matthew Page, CFA Dr Ian Mortimer, CFA

## Important Information

**Basis Points (bps)** are a unit of measurement used to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

**MSCI World Index** captures large and mid cap representation across 23 Developed Markets countries. With 1,583 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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

**MSCI World Value Index** captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

**MSCI World Growth Index** captures large and mid-cap securities exhibiting overall growth style characteristics across 23 Developed Markets countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

**Consumer Price Index** is a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending.

Expressed as a percentage, **return on investment (ROI)** is a financial ratio that measures the profit generated by an investment relative to its cost

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

The **MSCI World Semiconductors and Semiconductor Equipment Index** is composed of large and mid-cap stocks across Developed Markets (DM) countries. All securities in the index are classified in the Semiconductors and Semiconductor Equipment Industry Group (within the Information Technology sector) according to the Global Industry Classification Standard

The **Korea Composite Stock Price Index (KOSPI)** is the primary benchmark for the South Korean stock market, tracking all common shares listed on the main board of the Korea Exchange (KRX)

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 **VIX,** created by the CBOE, measures the expected 30-day volatility in the U.S. stock market. The **VKOSPI** is the first volatility index for a domestic Asian stock market.

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

**Brent** is a major global benchmark classification for light, sweet crude oil sourced from the North Sea

**Free cash flow (FCF)** represents the cash a company generates after covering operating expenses and capital expenditures.

A **margin call** is a broker's demand for an investor to deposit additional funds or securities into their margin account (where investors are permitted to sell securities short or borrow money to buy securities based on the funds in the account).

**Price to Earnings Ratio** is a stock valuation metric that compares a company's share price to its earnings per share.

**Capex (Capital Expenditure)** refers to funds a company spends on acquiring, upgrading, and maintaining long-term physical assets such as property, buildings, technology, or equipment aiming to increase operational capacity or future value.

**Earnings Per Share (EPS)** is a company's net profit divided by the number of common shares it has outstanding. It indicates how much money a company makes for each share of its stock and is a widely used metric for estimating corporate value.

**Tokens** are units of data processed by AI models during training and inference, enabling prediction, generation and reasoning.

**Dividend yield** is a financial ratio showing the return an investor would earn from an investment based solely on its dividend payments.

The **price return** is the rate of return on an investment portfolio, where the return measure takes into account only the capital appreciation of the portfolio, while the income generated by the assets in the portfolio, in the form of interest and dividends, is ignored.

A **rate of return** (RoR) measures the financial gains or losses an investment generates relative to its initial cost

The **Producer Price Index** (**PPI**) program measures the average change over time in the selling prices received by domestic producers for their output.

Consumer spending, or **personal consumption expenditures (PCE)**, is the value of the goods and services purchased by, or on the behalf of, U.S. residents.

The PCE Price Index Excluding Food and Energy, also known as the **core PCE** price index

**Core Consumer Price Index (CPI)** measures price changes for a standard basket of consumer goods and services, excluding food and energy prices.

**Hyperscalers** are large-scale data centers that provide a wide range of cloud computing and data solutions for businesses that need vast digital infrastructure, processing, and storage. The hyperscalers dominating the cloud market are Amazon Web Services (AWS), Microsoft Azure, and Google Cloud, alongside other tech giants like Meta and Oracle.

**Margin Protection** provides coverage against an unexpected decrease in operating margin

**Return of capital (ROC)** is a payment, or return, received from an investment that is not considered a taxable event and is not taxed as income.

**Free cash flow yield** is a solvency ratio that measures free cash flow per share against the market value per share. A high free cash flow yield indicates a company can easily meet its debt obligations and provide returns to shareholders.

An **easing bias** is a policy signal from a central bank—such as the Federal Reserve—stating that its next move on interest rates is more likely to be a cut than an increase.

The Fund invests in securities that pay dividends, and there is no guarantee that the securities held by the Fund will declare or pay dividends in the future, or that dividends will remain at current levels or increase.

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.

*Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus, please visit www.gafunds.com/our-funds/divs/ or call (866) 307-5990. Read the prospectus carefully before investing.*

Opinions expressed are subject to change, are not guaranteed and should not be considered investment advice.

Investing in securities involves risk and there is no guarantee of principal.

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