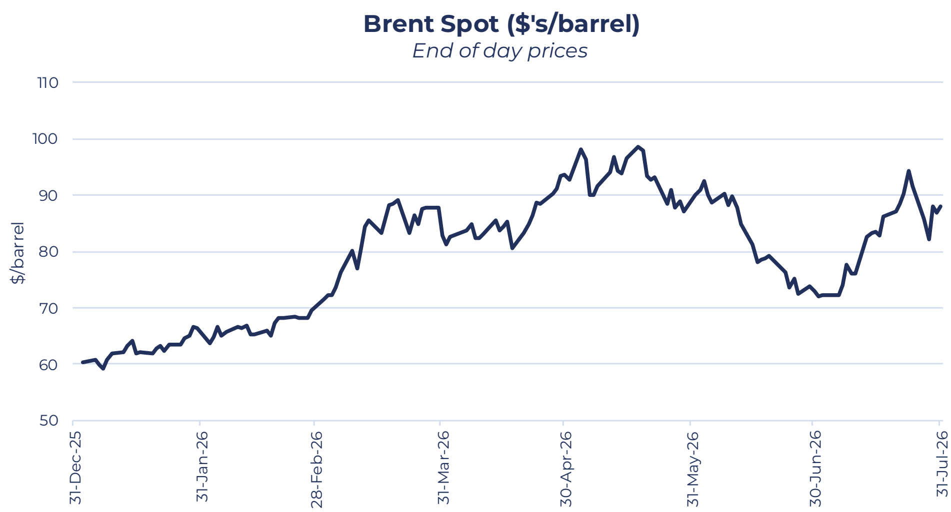
IWIRX/GINNX

Guinness Atkinson Global Innovators Fund
August 2026 Update

July in Review

Iran, Inflation & Interest Rate Expectations

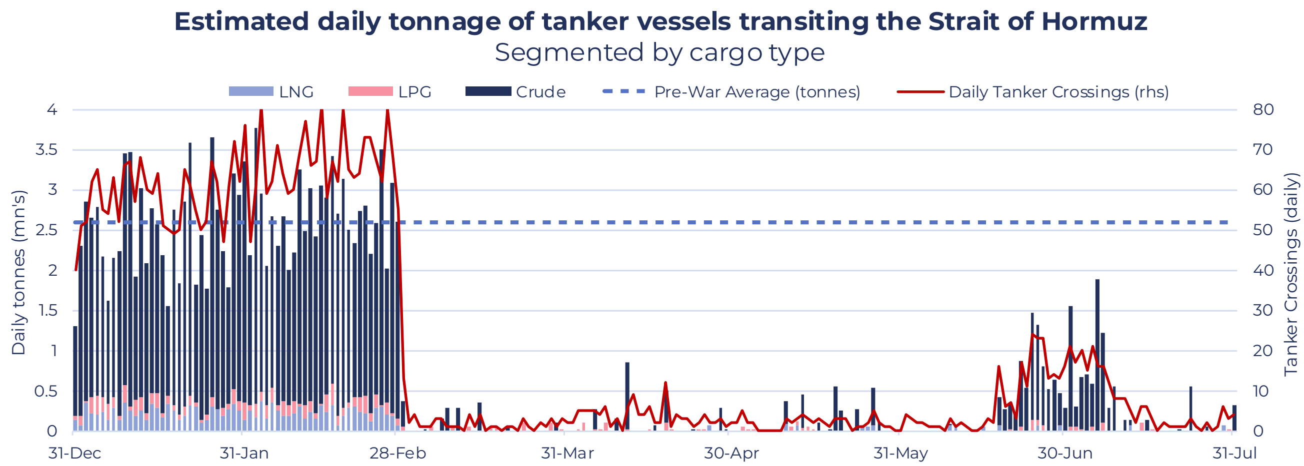
At the end of the second quarter, we highlighted that a de-escalation in the Iran war – formalized through a Memorandum of Understanding (MOU) between the United States and Iran – had allowed Brent crude oil to return to close to its pre-war level of about $70 per barrel. July subsequently brought a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

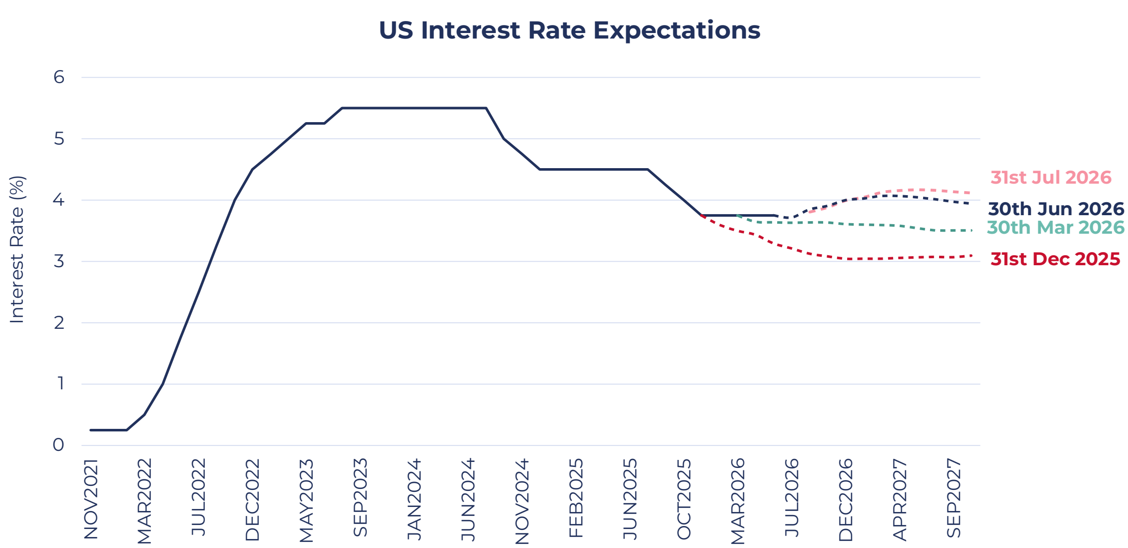
The chart below shows the daily tonnage (of crude oil, liquefied natural gas (LNG) and liquefied petroleum gas (LPG)) transiting the strait of Hormuz and the number of tankers. An interesting observation is that despite the supply shock, which essentially disrupted 20% of the flow of global oil, spot 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

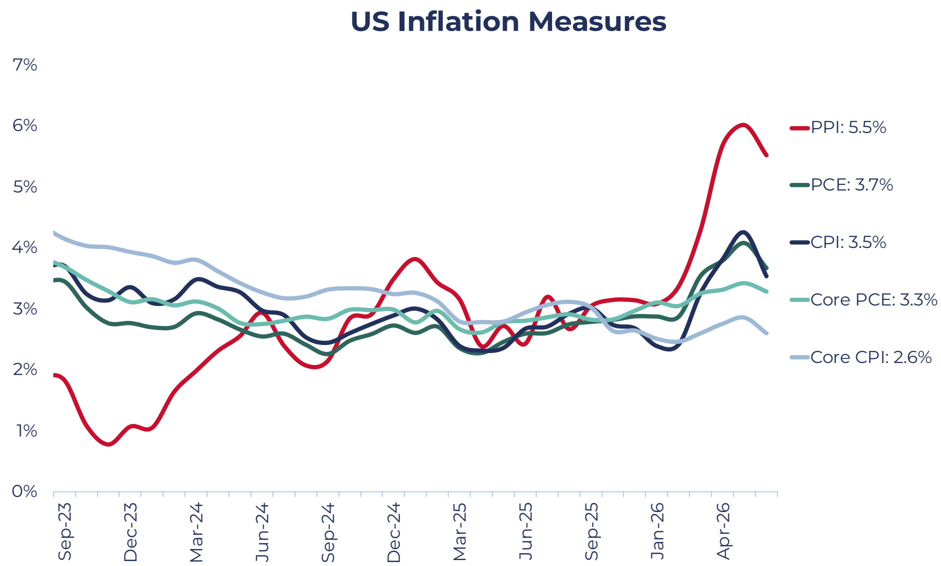
The important point is that oil prices fell much faster than physical shipping activity recovered. This suggests that the market increasingly viewed the disruption as a logistical constraint rather than an outright and permanent loss of supply. Inventories have been providing a temporary buffer, while 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 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

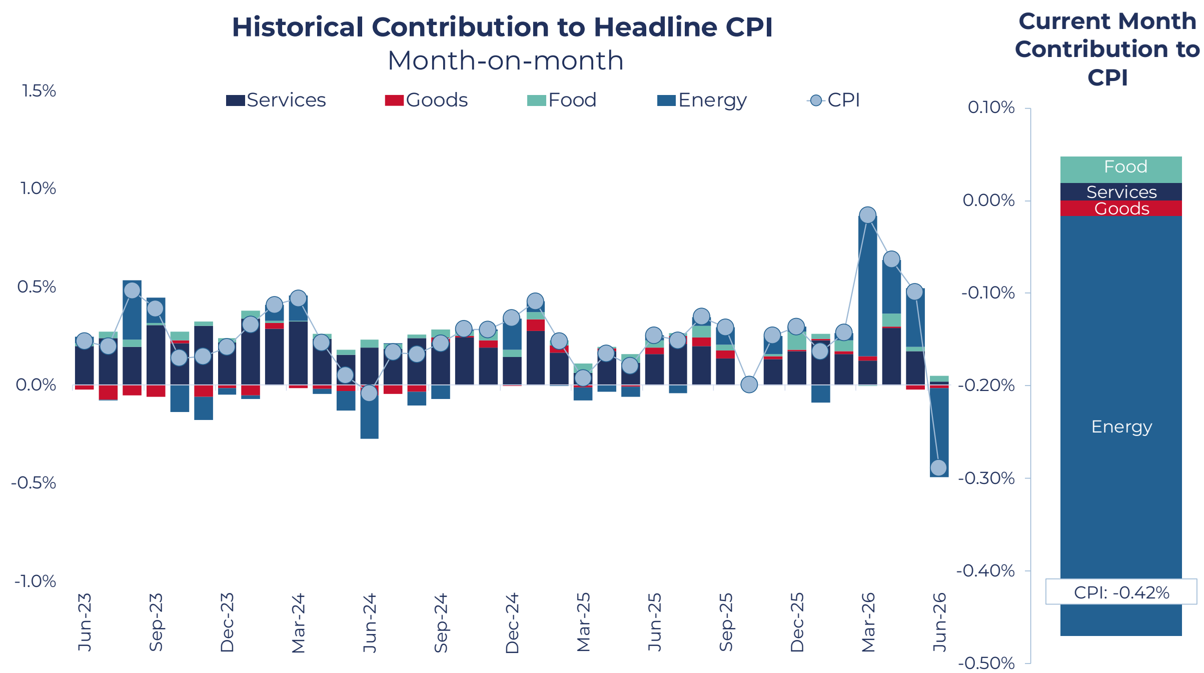
Part of the explanation was June's inflation release. On most measures, US inflation appeared to have peaked in May, with the decline in energy prices during June producing meaningful disinflation. The headline consumer price index (CPI) fell by approximately 0.4% month-on-month, while core price measures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



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

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.

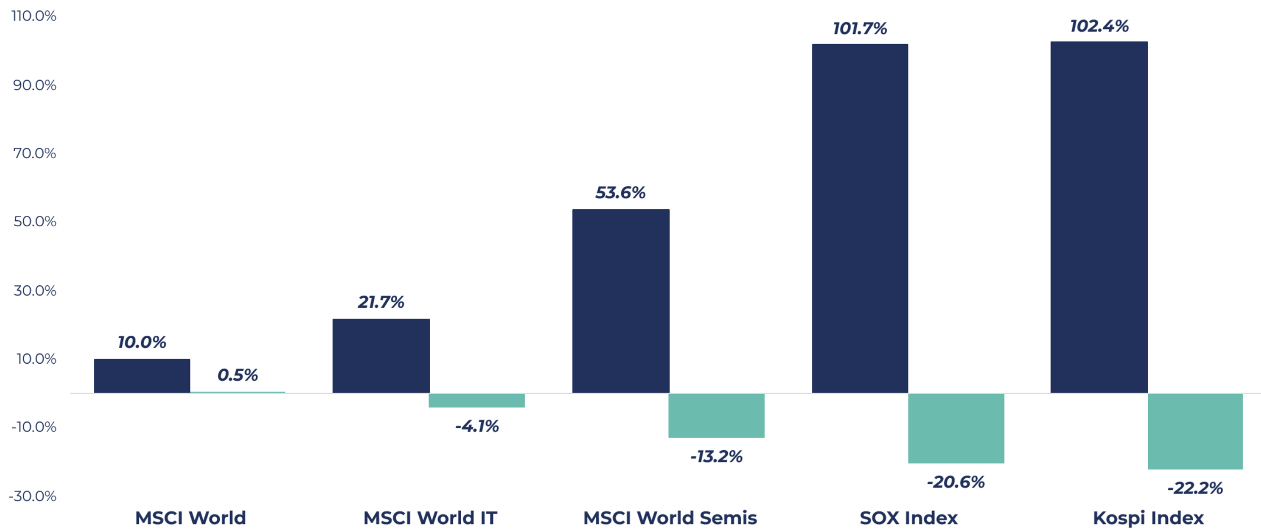
The central question is whether elevated prices persist for long enough to affect wages, business pricing decisions and longer-term inflation expectations. To date, the evidence suggests that the shock has remained concentrated in energy. That has allowed markets to absorb both higher oil prices and 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

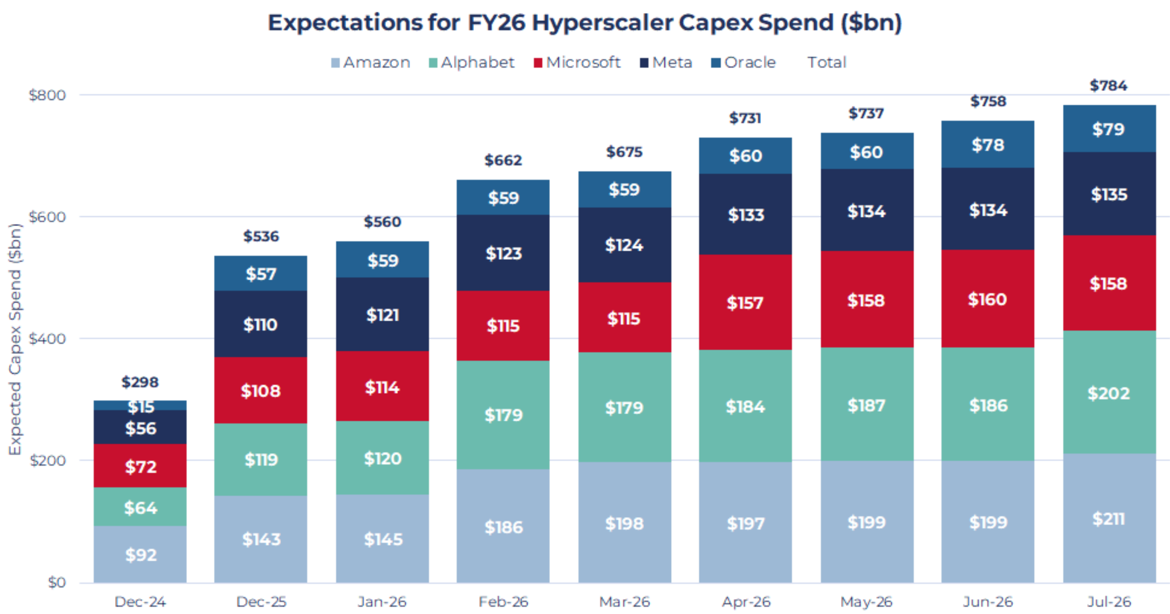


Source: MSCI, Bloomberg. Data in USD as of 07.31. 2026

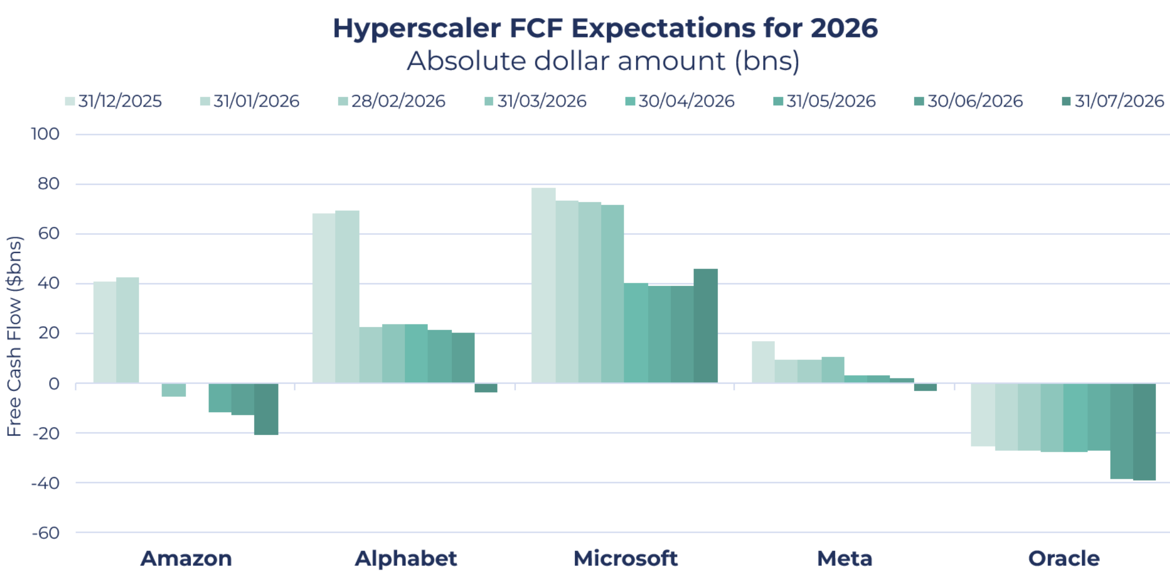
Fears of an overbuild

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, 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.



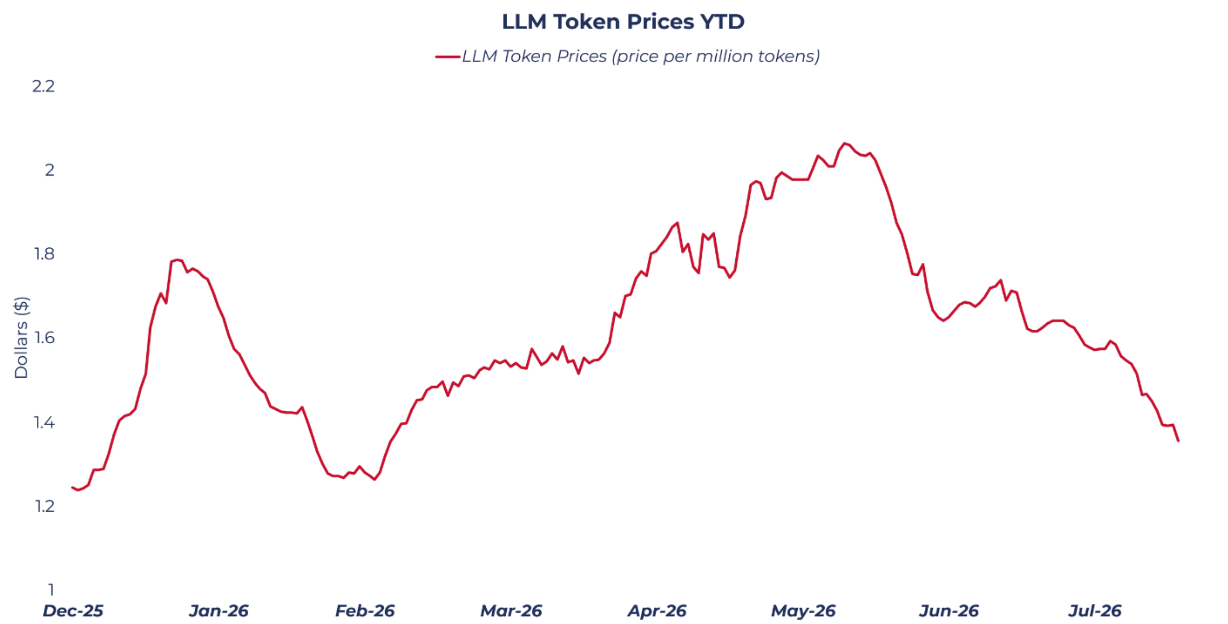
Source: Bloomberg. Data as of 07.31. 2026



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.

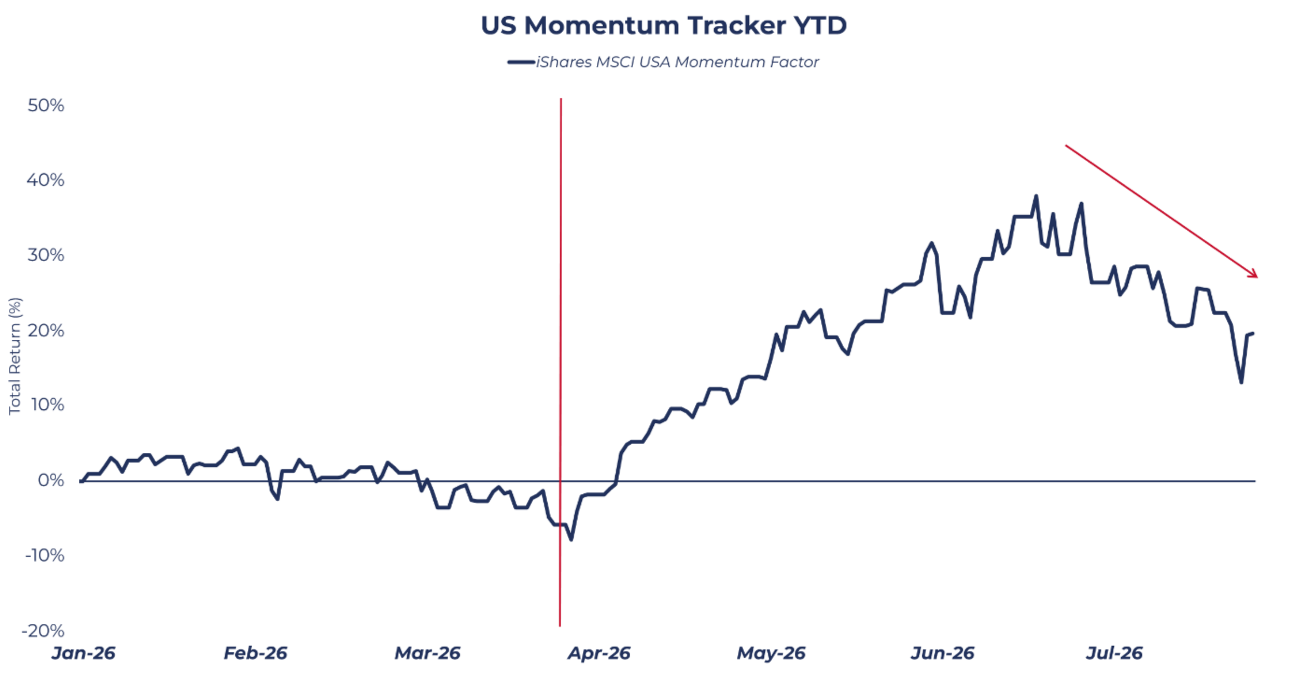


Source: Bloomberg. Data as of 07.31. 2026

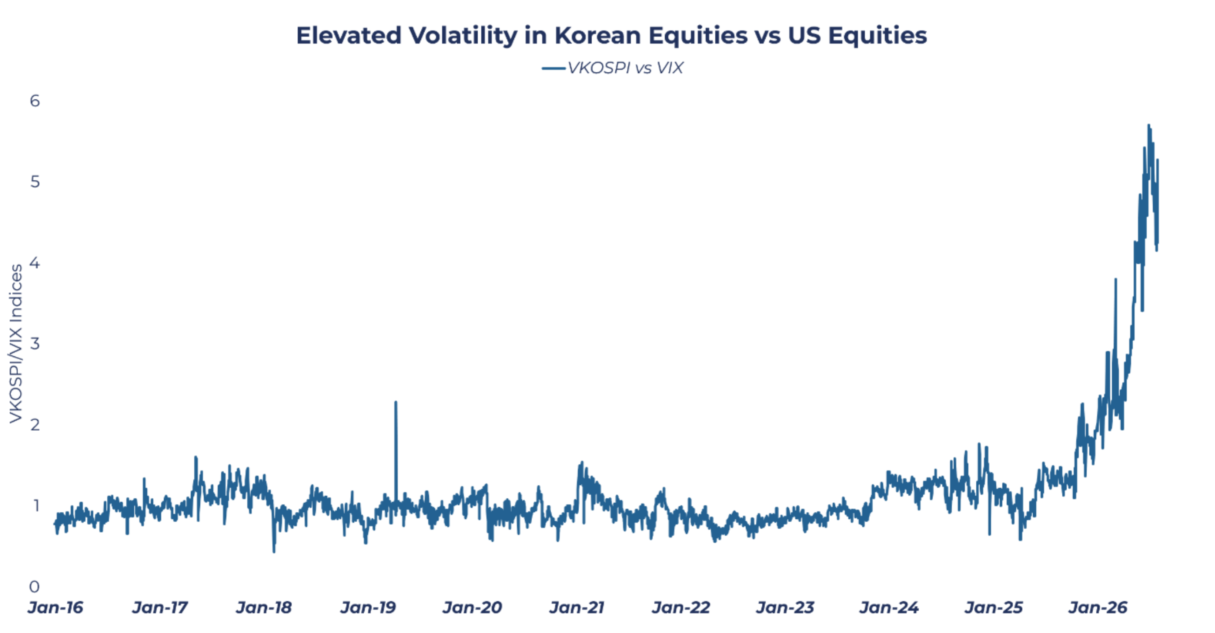
Momentum unwind and hedge fund positioning

The sell-off was worsened by hedge fund positioning in the sector, since some had spent much of the second quarter investing heavily into a narrow set of AI and semiconductor winners. As the tide turned and the semiconductor rally stalled, this proved fatal for many highly concentrated books. Notably, Situational Awareness, an AI-focused hedge fund which had highly leveraged positions in these stocks, all but collapsed during the month and was forced to liquidate billions of dollars in technology holdings after margin calls. The case highlighted the fragility created by leverage and concentrated positioning, with forced deleveraging likely exacerbating moves in weakened AI equities.

This broader rotation also reflected an unwind in the momentum trade that had built rapidly after the March lows following the Iran war shock. From late March until July, the momentum factor rose from roughly -8% to almost +40% (iShares MSCI USA Momentum) before giving back a meaningful portion of those gains in July. Retail investor participation has been an increasingly important feature of equity markets globally, but the trend has been particularly pronounced in South Korea, where individual investors have become a major source of market liquidity and increasingly use leveraged products to gain positions in large-cap technology stocks. This dynamic intensified after regulators approved 16 single-stock leveraged ETFs linked to Samsung Electronics and SK Hynix in late May, adding another layer of leverage to an already crowded AI and memory trade. The resulting amplification is evident in the VKOSPI/VIX ratio, which surged above 5x versus a long-run range closer to 1x, highlighting the exceptional rise in Korean equity volatility relative to the US.



Source: MSCI, iShares, Bloomberg. Data as of 07.31.2026



Source: Bloomberg. Data as of 07.31. 2026

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 labour 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

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."*

AMD

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."*

<u>Fund Holdings – Monthly Performance Case Studies</u>

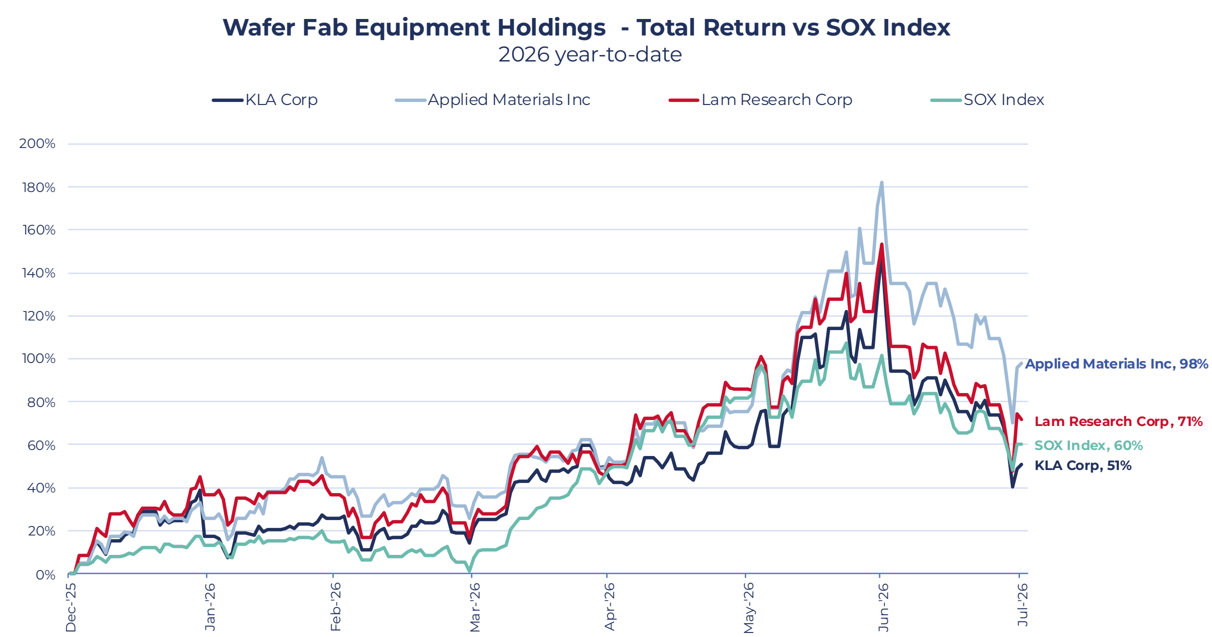
Microsoft (+24.6% USD)

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.

KLA (-39.4% USD), Lam Research (-32.4% USD), Applied Materials (-29.8% USD)

It was an extraordinary H1 for the Fund's three semiconductor equipment manufacturers, each of which delivered returns over 100%. However, they ended July as the Fund's bottom-performing holdings in the context of a broad pull-back in semiconductor sentiment, with the Philadelphia Semiconductor Index (the 'SOX') falling 20.6%. Over 2026, these stocks were viewed as some of the key beneficiaries of rising capex expectations from the hyperscalers. Each is exposed to a different area of the semiconductor manufacturing value chain and is an industry leader in its space**. Lam Research** is a specialist in etch and deposition (adding, patterning, and removing materials on a silicon wafer). **KLA** is focused on process control (monitoring and identifying areas to increase yield and ensure quality) and **Applied Materials** is a larger but broader player which competes not only in etch and deposition and process control but also front-end (transistor and interconnect formation, chemical mechanical planarization etc.) and back-end processes (advanced packaging). The AI infrastructure build-out is a significant tailwind for these firms as hyperscalers require greater volumes of increasingly complex chips, driving chipmakers to invest heavily in capacity and cutting-edge technologies.



Source: Bloomberg. Data as of 07.31.2026

As discussed earlier in this commentary, semiconductor sentiment suffered during the month amid concerns that the AI rally had run too far too fast, questions over the sustainability of hyperscaler capex, the risk of future oversupply as chipmakers unveiled aggressive expansion plans, and continued progress from Chinese AI players – in particular, Moonshot, whose latest model Kimi K3 introduced questions over the trajectory of hyperscaler spending plans. These concerns were compounded by the unwind of the highly leveraged hedge fund Situational Awareness. From a stock-specific perspective, however, fundamentals remained strong, with both KLA and Lam Research reporting robust results during the month.

KLA delivered another beat-and-raise quarter, supported by strong growth in its core process-control business, services and advanced packaging, while management once again upgraded their expectations for industry spending on wafer fabrication equipment (WFE). Importantly, KLA's backlog rose materially and management expect growth to accelerate into 2027 as new fab capacity comes online and spending broadens across leading-edge logic, DRAM/HBM and advanced packaging.

Lam Research also reported an exceptional quarter, with record revenues, 20-year-high gross margins and guidance materially ahead of consensus. Growth was broad-based across NAND, DRAM and leading-edge Foundry/Logic, while continued share gains in etch and deposition, alongside strong growth in its installed-base services business, leaving Lam particularly well positioned to benefit from rising semiconductor manufacturing complexity and higher capital intensity.

Applied Materials is yet to report its latest results, with earnings due on 13 August. We will watch closely for evidence that the same strengthening WFE environment is translating into robust demand across its broad exposure to leading-edge logic, memory and advanced packaging, as well as for management's latest view on the sustainability of semiconductor capital expenditure into 2027.

We thank you for your continued support.

Portfolio Managers

Matthew Page, CFA   Dr Ian Mortimer, CFA

Summary performance

July saw a renewed bout of volatility across both energy and equity markets. Brent crude briefly breached $100 per barrel as tensions around the Strait of Hormuz re-escalated, yet interest-rate expectations moved remarkably little as investors continued to view the shock as concentrated in energy rather than the start of a broader inflation cycle. Equity markets experienced a more dramatic reversal. After exceptional gains through the first half of the year, AI and semiconductor stocks sold off sharply as investors became more sensitive to the scale of hyperscaler capital expenditure and the returns required to justify it. Those concerns were heightened by rapidly falling compute and token costs, which raised fresh questions over the pace and economics of AI monetization even as underlying demand remained strong. At the same time, heavy hedge-fund exposure, crowded momentum positioning and leverage across parts of the market amplified the correction as investors reduced exposure to some of the year's strongest-performing AI and semiconductor names.

Over the month of July, the Fund's relative performance can be attributed to the following:

- Information Technology was the benchmark's worst performing sector (-8.5% in USD). While the Software industry group outperformed the benchmark and Hardware was in line, the MSCI World Semiconductor Index fell 13.2% in USD terms. As the Fund's largest overweight industry exposure, this acted as the largest detractor to relative Fund performance from an allocation perspective.
- Within the Semiconductor industry, the Fund also suffered a negative stock selection effect. Strong outperformance from our Semiconductor equipment manufacturers during the first half of the year meaningfully reversed over July, with Lam Research (-32.4% USD), Applied Materials (-29.8%) and KLA (-39.4%) the Fund's three bottom-performing stocks. Despite Nvidia's (0.3%) strong outperformance versus the industry, the benchmark's large relative weight in the Index (versus the Fund) also resulted in a meaningful negative allocation effect.
- The Fund's overweight position to the benchmark's top-performing sector, Software (+14.0%), provided a strong positive allocation effect. This was supported by positive stock selection effects, with Roper (+16.1%) and Salesforce (+17.5%) outperforming the industry. The Fund also benefited from owning Microsoft (+24.6%), the Fund's top-performing stock over the month – although an underweight relative to the benchmark delivered a negative stock selection effect.
- There were strong stock selection effects from a number of industries including Financials (Intercontinental Exchange +23.9%, Nasdaq +19.5%), Pharma (Thermo Fisher +14.6%), Media and Entertainment (Tencent +10.6%) and Health Care (Medtronic +9.2%). This more than offset the negative effects of stock selection within the Semiconductor industry.

Performance

As of 7/31/2026	1 Year	3 Years	5 Years	10 Years
IWIRX [1]	15.92%	17.07%	9.14%	14.88%
GINNX [2]	16.21%	17.38%	9.44%	15.19%
MSCI World Index NR	20.41%	18.12%	11.18%	12.71%

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 7/31/2026:

1. Amazon.com Inc	4.09%
2. Broadcom Inc	3.86%
3. Nasdaq Inc	3.74%
4. Alphabet Inc - A Shares	3.65%
5. Visa Inc	3.65%
6. Microsoft Corp	3.63%
7. Roper Technologies Inc	3.56%
8. Apple Inc	3.56%
9. Thermo Fisher Scientific Inc	3.54%
10. Mastercard Inc	3.51%

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.

GUINNESS ATKINSON FUNDS

Free cash flow (FCF) is the cash a company has left over after paying for its day-to-day operations and building or fixing long-term assets.

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).

S&P Global is the world's foremost provider of transparent and independent ratings, benchmarks, analytics, data, research and commentary

Capital Expenditure (CAPEX) Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. It is a float-weighted index, meaning the market capitalizations of the companies in the index are adjusted by the number of shares available for public trading.

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

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.

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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